

THE ROLE OF RISK TAKING IN MODERATING THE INFLUENCE
OF OWNERSHIP STRUCTURE AND SELECTED ECONOMIC
FACTORS ON STOCK MARKET IN TURKEY

SHIVAN AHMED MOHAMMAD DOSKI

DOCTOR OF BUSINESS ADMINISTRATION
UNIVERSITI UTARA MALAYSIA
December 2012

THE ROLE OF RISK TAKING IN MODERATING THE INFLUENCE OF
OWNERSHIP STRUCTURE AND SELECTED ECONOMIC FACTORS
ON STOCK MARKET IN TURKEY

By

SHIVAN AHMED MOHAMMAD DOSKI

Dissertation Submitted to
Othman Yeop Abdullah Graduate School of Business,
Universiti Utara Malaysia,
In Partial Fulfillment of the Requirement for the Degree of
Doctor of Business Administration

©Shivan A.M. Doski, 2012 All rights reserved

OTHMAN YEOP ABDULLAH GRADUATE SCHOOL OF BUSINESS
Universiti Utara Malaysia



PERAKUAN KERJA TESIS / DISERTASI
(Certification of thesis / dissertation)

Kami, yang bertandatangan, memperakukan bahawa
(We, the undersigned, certify that)

SHIVAN AHMED MOHAMMAD

calon untuk Ijazah **DOCTOR OF BUSINESS ADMINISTRATION**
(candidate for the degree of)

telah mengemukakan tesis / disertasi yang bertajuk:
(has presented his/her thesis / dissertation of the following title):

**THE ROLE OF RISK TAKING IN MODERATING THE INFLUENCE OF OWNERSHIP STRUCTURE
AND SELECTED ECONOMIC FACTORS ON STOCK MARKET IN TURKEY**

seperti yang tercatat di muka surat tajuk dan kulit tesis / disertasi.
(as it appears on the title page and front cover of the thesis / dissertation).

Bahawa tesis/disertasi tersebut boleh diterima dari segi bentuk serta kandungan dan meliputi bidang ilmu dengan memuaskan, sebagaimana yang ditunjukkan oleh calon dalam ujian lisan yang diadakan pada :

5 December 2012.

That the said thesis/dissertation is acceptable in form and content and displays a satisfactory knowledge of the field of study as demonstrated by the candidate through an oral examination held on:

5 December 2012.

Pengerusi Viva : **Prof. Dr. Abdul Razak bin Chik**
(Chairman for Viva)

Tandatangan
(Signature)

Pemeriksa Luar : **Prof. Dr. Annuar bin Md. Nassir**
(External Examiner)

Tandatangan
(Signature)

Pemeriksa Dalam : **Prof. Dr. Yusnidah binti Ibrahim**
(Internal Examiner)

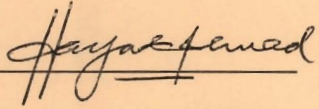
Tandatangan
(Signature)

Nama Pelajar : Shivan Ahmed Mohammad
(Name of Student)

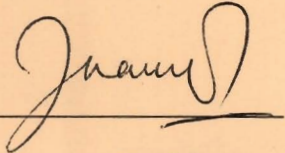
Tajuk Tesis/Dissertation : The Role of Risk Taking in Moderating the Influence of Ownership Structure and Selected Economic Factors on Stock Market in Turkey
(Title of the Thesis/ Dissertation)

Program Pengajian : Doctor of Business Administration
(Programme of Study)

Nama Penyelia/Penyelia-penyelia : Prof. Dr. Nor Hayati binti Ahmad
(Name of Supervisor/Supervisors)


Tandatangan
(Signature)

Nama Penyelia/Penyelia-penyelia : Assoc. Prof. Dr. Zuaini binti Ishak
(Name of Supervisor/Supervisors)


Tandatangan
(Signature)

PERMISSION TO USE

In presenting this dissertation in partial fulfillment of the requirements for a Post Graduate degree from Universiti Utara Malaysia (UUM), I agree that the Library of this University may make it freely available for inspection. I further agree that permission for copying of this dissertation in any manner, in whole or in part, for scholarly purposes may be granted by my supervisor(s) or, in their absence, by the Dean of Othman Yeop Abdullah Graduate School of Business where I did my dissertation. It is understood that any copying or publication or use of this dissertation or parts thereof for financial gain shall not be allowed without my written permission. It is also understood that due recognition shall be given to me and to Universiti Utara Malaysia (UUM) in any scholarly use which may be made of any material from my dissertation.

Request for permission to copy or make other use of materials in this dissertation, in whole or in part should be addressed to:

Dean of Othman Yeop Abdullah Graduate School of Business
Universiti Utara Malaysia
06010 UUM Sintok
Kedah Darul Aman

ABSTRACT

This study investigated the moderating influence of risk taking (RT) on the association between ownership structure (OS), economic factors (EF) and stock market performance (SMP). This study was motivated basically by the inconsistent findings in the latest literature related to the relationship between OS, EF and stock market performance. Therefore, a new research emerged which suggests examining the influence of the third factor (RT) that may better describe and explain this relationship. This study integrated two theories; the agency theory (AT) and the capital asset pricing model (CAPM). Due to the lack of the studies that emphasized all the sectors and subsectors in the emerging markets, therefore this study targeted all the listed companies in Istanbul stock exchange in Turkey divided to five sectors covering the period from 2004 to 2010 for both RT and industrial ownership ratio. The study followed a rigorous process for econometrics testing by using Eviews statistical software package and utilizes hierarchical regression through using SPSS statistical software package. The findings of this study showed that both OS, EF were statistically significant predictors of stock market performance. Moreover, this study supported the expected outcomes of both agency theory and capital asset pricing model confirming the importance of RT behavior to any decisions made by the companies' top management regarding investing decisions that affect the company performance which in its turn affect the overall performance of the stock market. In addition, this study revealed the point that the foreign ownership in Turkey has a large shareholding percentage out of total company's ownership. The results of this study indicated that RT is moderating the influence between some of the ownership structure variables and stock market performance measured by stock market capitalization, while the moderation effect depends on the moderate variable measurement that divided by five sectors, similarly to the economic factors, in which the effect of some economic factors is moderated by RT in different sectors.

Keywords: Ownership Structure, Economics Factors, Risk Taking, Stock Market Performance, Turkey.

ABSTRAK

Kajian ini menyiasat pengaruh penyederhanaan pengambilan risiko (RT) pada hubungan antara struktur pemilikan (OS), faktor-faktor ekonomi (EF) dan prestasi pasaran saham (SMP). Kajian ini didorong padanya oleh penemuan yang tidak konsisten dalam kajian literatur terkini yang berkait dengan hubungan antara OS, EF dan prestasi pasaran saham. Oleh itu, satu penyelidikan baru mencadangkan supaya diadakan pemeriksaan pengaruh faktor ketiga (RT) yang mungkin akan menerangkan dan menjelaskan hubungan ini dengan lebih baik. Kajian ini mengintegrasikan dua teori: teori agensi (AT) dan teori penetapan harga aset (CAPM).

Disebabkan kurangnya tekanan kepada semua sektor dan subsektor dalam pasaran baru muncul, oleh itu kajian ini didasarkan kepada semua syarikat yang tersenarai di bursa saham Istanbul di Turki yang dibahagikan kepada lima sektor yang meliputi tempoh 2004-2010 untuk kedua-dua RT dan pemilikan nisbah industri. Kajian ini melibatkan proses yang ketat untuk ujian ekonometrik dengan menggunakan pakej perisian statistik Eviews dan menggunakan regresi hierarki dengan mengaplikasikan pakej perisian statistik SPSS. Hasil kajian ini menunjukkan bahawa kedua-dua OS, EF statistic ramalan yang signifikan bagi prestasi pasaran saham. Disamping itu, kajian ini disokong oleh hasil-hasil yang diharapkan kedua-dua teori agensi dan model penetapan harga aset yang mengesahkan penting nyat ingkahlaku RT kepada apa-apa keputusan yang dibuat oleh peringkat pengurusan atas ansyariat mengenai keputusan-keputusan melabur yang memberikesan kepada prestasi syarikat yang manamemberikesan balik kepada keseluruhan prestasi pasaran saham. Kajian ini juga mendedahkan bahawa pemilikan asing di Turki mempunyai peraturan pegangan saham yang besar daripada jumlah keseluruhan pemilikan syarikat. Hasil kajian ini menunjukkan bahawa RT menyederhanakan pengaruh di antara beberapa jenis struktur pemilikan dan prestasi pasaran saham yang diukur oleh nilai permodalan pasaran saham. Walaupun bagaimanapun kesan penyederhanaan bergantung kepada pengukuran penyederhanaan pemboleh ubah yang berdasarkan kepada lima sektor, sama jugadengan faktor ekonomi di mana RT tidak menyederhanakan hubungan di antara faktor ekonomi dengan semua sektor-sektor yang berbeza.

Kata Kunci: Pemilikan Struktur, Pemilikan Asing, Faktor Ekonomi, Mengambil Risiko, Prestasi Pasaran Saham, Turki.

ACKNOWLEDGEMENT

I would like to express my deepest gratitude to Professor Dr. Nor Hayati Ahmad and Associate Professor Dr. Zuaini Ishak for their academic guidance, knowledge sharing, and continuous encouragement throughout my study. Without their constant supervision to my progress, I would not be able to complete this dissertation in time.

I dedicate this dissertation to my parents and family members, for their enduring patience, sacrifice, and encouragement. Their love is a continuous motivation for me to pursue a meaningful successful life with great hope that I would be able to repay them in the near future with my love and better life. Inshallah.

I realized the importance of great support from fellow students towards enriching a postgraduate life. To my friends, Bayar, Zeravan, Abdulla and Arfan, I sincerely thank you for your support and assistance throughout my life in Malaysia and in making my stay in Universiti Utara Malaysia special and meaningful.

To Allah (swt), I thank you deeply and pray that he grants me and to all who have helped me in one way or another a blessed lives. Amin

TABLE OF CONTENTS

	Page
TITLE PAGE	i
CERTIFICATION OF DISSERTATION	ii
PERMISSION TO USE	iv
ABSTRACT	v
ABSTRAK	vi
ACKNOWLEDGEMENT	vii
TABLE OF CONTENTS	viii
LIST OF TABLES	xv
LIST OF FIGURES	xvii
LIST OF APPENDICES	xx
LIST OF ABBREVIATIONS	xxi
 CHAPTER ONE: INTRODUCTION	
1.1 Background of the Study	1
1.2 Problem Statement	6
1.3 Research Questions	22
1.4 Research Objectives	23
1.5 Significant of the Study	23
1.6 Contributions of the Study	26
1.7 Scope of the Study	28
1.8 Definitions of Key Terms	29
 CHAPTER TWO: TURKEY ECONOMY	
2.1 Overview of Turkish Economy	33
2.2 Overview of Corporate Governance in Turkey	44
2.3 Overview of Istanbul Stock Exchange	45
 CHAPTER THREE: LITERATURE REVIEW	
3.1 Introduction	56
3.2 Stock Market Performance	62
3.3 Economic Factors	66

3.3.1	GDP Growth	68
3.3.2	Inflation Rate	70
3.3.3	Net of Inflow and Outflow of Foreign Direct Investment	72
3.3.4	Balance of Trade	74
3.35	Debt to GDP	75
3.4	Ownership Structure	76
3.4.1	Institutional Ownership	80
3.4.2	Foreign Ownership	85
3.4.3	Ownership Concentration	90
3.5	Risk taking Theory	94
3.6	Ownership and Firm Performance	100
3.7	Ownership and Risk Taking	105
3.8	Economic Factors and Stock Market Performance	115
CHAPTER FOUR: METHODOLOGY		
4.1	Introduction	123
4.2	Underpinning Theory	125
4.2.1	The Shareholder Approach	126
4.2.1.1	Agency Theory	128
4.2.1.2	Capital Assets Pricing Theory	128
4.2.2	The Stakeholder Approach	129
4.3	Theoretical Framework	130
4.4	Hypotheses Development	133
4.4.1	Ownership Structure	133
4.4.2	Economic Factors	139
4.4.3	Risk Taking	144

4.5	Population and Sample Size	168
4.6	Data Collection Procedures	169
4.7	Measurements and Operationalization of the Variables	171
4.8	Data Analysis	175
4.8.1	Econometrics Testing	175
4.8.1.1	Unit Root Analysis	175
4.8.1.2	Augmented Dickey Fuller (ADF) Test	175
4.9	Hypothesis Testing Procedures	177
4.9.1	Detecting Outliers	178
4.9.2	The Multicollinearity Detection	179
4.10	Hierarchal Multiple regression	181
4.10.1	Normality Testing	182
4.10.2	Testing the Linearity, Homoscedasticity and Independence of Error	183
	Terms	

CHAPTER FIVE: RESEARCH FINDINGS AND DISCUSSION

5.1	Introduction	184
5.2	Pearson Correlation Analysis Results	184
5.3	Multiple Regression Analysis Results	187
5.4.	Hierarchical Regression Analysis Results	189
5.4.1	Hierarchical Regression Analysis Results to Examine the Moderating Impact in Manufacture Sector (RTMF)	190
5.4.1.1	The Moderating Effect of RTMF on the SECMF-SMP	193
5.4.1.2	The Moderating Effect of RTMF on the SECTR-SMP	193
5.4.1.3	The Moderating Effect of RTMF on the SECFIN-SMP	194
5.4.1.4	The Moderating Effect of RTMF on the SECTEC-SMP	195

5.4.1.5 The Moderating Effect of RTMF on the SECOTH-SMP	195
5.4.1.6 The Moderating Effect of RTMF on the ISTO-SMP and FORO-SMP	196
5.4.1.7 The Moderating Effect of RTMF on the GDPG-SMP	197
5.4.1.8 The Moderating Effect of RTMF on the NETFDI-SMP	198
5.4.1.9 The Moderating Effect of RTMF on the INFL-SMP	198
5.4.1.10 The Moderating Effect of RTMF on the DEBTGDP-SMP	199
5.4.1.11 The Moderating Effect of RTMF on the BOT-SMP	199
5.4.2 Hierarchical Regression Analysis Results to Examine the Moderating Impact in Transportation Sector (RTTR)	200
5.4.2.1 The Moderating Effect of RTTR on the SECMF-SMP	202
5.4.2.2 The Moderating Effect of RTTR on the SECTR-SMP	203
5.4.2.3 The Moderating Effect of RTTR on the SECFIN-SMP	203
5.4.2.4 The Moderating Effect of RTTR on the SECTEC-SMP	204
5.4.2.5 The Moderating Effect of RTTR on the SECOTH-SMP	205
5.4.2.6 The Moderating Effect of RTTR on the ISTO-SMP	205
5.4.2.7 The Moderating Effect of RTTR on the FORO-SMP	206
5.4.2.8 The Moderating Effect of RTTR on the GDPG-SMP	206
5.4.2.9 The Moderating Effect of RTTR on the NETFDI-SMP	207
5.4.2.10 The Moderating Effect of RTTR on the INFL-SMP	208
5.4.2.11 The Moderating Effect of RTTR on the DEBTGDP-SMP	208
5.4.2.12 The Moderating Effect of RTTR on the BOT-SMP	209
5.4.3 Hierarchical Regression Analysis Results to Examine the Moderating Impact in Financial Institutions Sector (RTFIN)	210
5.4.3.1 The Moderating Effect of RTFIN on the SECMF-SMP	212

5.4.3.2 The Moderating Effect of RTFIN on the SECTR-SMP	213
5.4.3.3 The Moderating Effect of RTFIN on the SECFIN-SMP	213
5.4.3.4 The Moderating Effect of RTFIN on the SECTEC-SMP	214
5.4.3.5 The Moderating Effect of RTFIN on the SECOTH-SMP	214
5.4.3.6 The Moderating Effect of RTFIN on the ISTO-SMP	215
5.4.3.7 The Moderating Effect of RTFIN on the FORO-SMP	215
5.4.3.8 The Moderating Effect of RTFIN on the GDPG -SMP	216
5.4.3.9 The Moderating Effect of RTFIN on the GDPG -SMP	216
5.4.3.10 The Moderating Effect of RTFIN on the INFL -SMP	217
5.4.3.11 The Moderating Effect of RTFIN on the DEBTGDP -SMP	217
5.4.3.12 The Moderating Effect of RTFIN on the BOT-SMP	218
5.4.4. Hierarchical Regression Analysis Results to Examine the Moderating Impact in Technology Sector (RTTEC)	219
5.4.4.1 The Moderating Effect of RTTEC on the SECMF-SMP and SECOTH-SMP	221
5.4.4.2 The Moderating Effect of RTTEC on the SECFIN-SMP and SECTEC SMP	222
5.4.4.3 The Moderating Effect of RTTEC on the SECTR-SMP and FORO-SMP	223
5.4.4.4 The Moderating Effect of RTTEC on the ISTO-SMP	223
5.4.4.5 The Moderating Effect of RTTEC on the GDPG-SMP and DEBTGDP-SMP	224
5.4.4.6 The Moderating Effect of RTTEC on the NETFDI-SMP	225
5.4.4.7 The Moderating Effect of RTTEC on the INFL-SMP	225
5.5.4.8 The Moderating Effect of RTTEC on the BOT-SMP	226

5.4.5 Hierarchical Regression Analysis Results to Examine the Moderating Impact in Other Sectors (RTOTH)	227
5.4.5.1 The Moderating Effect of RTOTH on the SECTR-SMP, SECTEC-SMP, and DEBTGDP-SMP	229
5.4.5.2 The Moderating Effect of RTOTH on the SECMF-SMP and SECFIN-SMP	230
5.4.5.3 The Moderating Effect of RTOTH on the INFL-SMP and BOT-SMP	231
5.4.5.4 The Moderating Effect of RTOTH on the ISTO-SMP and NETFDI-SMP	232
5.4.5.5 The Moderating Effect of RTOTH on the SECOTH-SMP	233
5.4.5.6 The Moderating Effect of RTOTH on the FORO-SMP	234
5.4.5.7 The Moderating Effect of RTOTH on GDPG-SMP	234
CHAPTER SIX: CONCLUSIONS AND RECOMMENDATIONS	
6.1 Introduction	236
6.2 Overview of the Study	236
6.3 Summary of Results by Objectives	245
6.3.1 Ownership Structure and Stock Market performance: Objective 1	245
6.3.2 Economic Factors and Stock Market performance: Objective 2	245
6.3.3 The Moderating Role of Risk Taking in (Manufacture Sector, Transportations Sector, Financial Institutions Sector, Technology Sector, and Others): Objective 3 and 4	246
6.3.3.1 The Moderating Role of Risk Taking in Manufacture Sector	246
6.3.3.2 The Moderating Role of Risk Taking in Transportations Sector	247
6.3.3.3 The Moderating Role of Risk Taking in Financial Institutions Sector	248

6.3.3.4	The Moderating Role of Risk Taking in Technology Sector	250
6.3.3.5	The Moderating Role of Risk Taking in Other Sector	251
6.4	Contribution of the Study	253
6.4.1	Theoretical Contribution	254
6.4.2	Practical Contribution	257
6.5	Limitations of The Study	259
6.6	Recommendation for Future Research	262
6.7	Conclusions	265
	REFERENCES	267

LIST OF TABLES

Table	Table Name	Page
Table 1.1	Market Capitalization Percentages and Total Value of Stock Traded (% of GDP)	13
Table 1.2	Securities Balance of Foreigners and Trading Volume	13
Table 1.3	Outflows and Inflows of Foreign Direct Investment in Turkey and OECD	14
Table 1.4	Consumer Price Index (Percentage Change from Previous Year)	16
Table 1.5	Turkey Government GDP index	18
Table 2.1	Capital Markets Board of Turkey profile	36
Table 2.2	The Ease of Starting a Business in Turkey over Period 2004-2012	38
Table 2.3	The Strength of Investor Protections in Turkey over Period 2005-2012	39
Table 2.4	Turkey Ranking in International Indices	43
Table 2.5	Istanbul Stock Exchange Growth Percentage Indicators	46
Table 2.6	Number of Companies' Listed and De-listed in Istanbul Stock Exchange	47
Table 2.7	Sectorial Foreign and Total Traded Shares Volume in ISE during 2004-2010	48
Table 2.8	Selected Indicators of Financial Sector to GDP Ratios Comparison with World and Emerging Countries (%)	49
Table 2.9	Banking Sector Risk Appearance in Turkey	50
Table 4.1	Comparative Table between Shareholder and Stakeholder Model	127
Table 4.2	Number of Companies Traded Based on Sectors (2004-2010)	168
Table 4.3	Classifications of Industries	170
Table 4.4	Measurements and Operationalization of the Variables	174
Table 4.5	Stationary of the Data	176
Table 4.6	Multicollinearity Test	180
Table 5.1	Summary of Correlation Analysis	185
Table 5.2	Pearson Correlation Martix	186
Table 5.3	Predictive Power of the Variables	188
Table 5.4	Moderating Effect of RT in Manufacture Sector	192

Table 5.5	Moderating Effect of RT in Transportations Sector	202
Table 5.6	Moderating Effect of RT in Financial Institutions Sector	211
Table 5.7	Moderating Effect of RT in Technology Sector	220
Table 5.8	Moderating Effect of RT in Others Sector	228
Table 5.9	The Changes in the Relationship Signs for the Variables	335
Table 6.1	The Moderating Effect of Risk Taking in the Relationship between Independent Variables and Dependent Variable	253
Table 6.2	Summary of the Conclusions	266

LIST OF FIGURES

Figure	Figure Name	Page
Figure 1.1	Model Estimate of Crisis Probabilities (%)	8
Figure 1.2	Top 25 Best Performing Stock Markets in 2010	10
Figure 1.3	ISE Market Capitalization (US Dollars) 1999-2010	12
Figure 1.4	Annual Exports and Imports in Turkey in the Period 2002-2010	16
Figure 1.5	Capital Inflows in Turkey in 2010	17
Figure 1.6	Yearly Leverage (Debt/Equity) for Each Sector Between 2004-2010	19
Figure 2.1	Increase in New Company Registration in Turkey over the Year	40
Figure 2.2	Annual Net Profit for Each Sector between 2004-2010 million USD	52
Figure 2.3	Distribution of Annual Traded Shares in All Five Sectors (%)	52
Figure 2.4	Distribution of Monthly Traded Shares During 2004-2010	53
Figure 2.5	The Monthly Average P/E Ratios in Istanbul Stock Market during 2004-2010	54
Figure 2.6	The Monthly Average Dividend Yield (%) in Istanbul Stock Market during 2004-2010	55
Figure 2.7	Turkey Capital Markets Board	55
Figure 3.1	Risk Mapping Concept Source	94
Figure 4.1	Research Framework	132
Figure 4.2	Histogram of the Regression Residuals	182
Figure 4.3	Testing Normality using Normal Probability Plot	182
Figure 4.4	Scatterplot of the Residuals	183
Figure 5.1	The Moderation Effect of RTMF on SECMF-SMP Relationship	193
Figure 5.2	The Moderation Effect of RTMF on SECTR-SMP Relationship	194
Figure 5.3	The Moderation Effect of RTMF on SECFIN-SMP Relationship	194
Figure 5.4	The Moderation Effect of RTMF on SECTEC-SMP Relationship	195
Figure 5.5	The Moderation Effect of RTMF on SECOTH-SMP Relationship	196
Figure 5.6	The Moderation Effect of RTMF on ISTO-SMP Relationship	196

Figure 5.7	The Moderation Effect of RTMF on FORO-SMP Relationship	197
Figure 5.8	The Moderation Effect of RTMF on GDPG-SMP Relationship	197
Figure 5.9	The Moderation Effect of RTMF on NETFDI-SMP Relationship	198
Figure 5.10	The Moderation Effect of RTMF on INFL-SMP Relationship	198
Figure 5.11	The Moderation Effect of RTMF on DEBTGDP-SMP Relationship	199
Figure 5.12	The Moderation Effect of RTMF on BOT-SMP Relationship	199
Figure 5.13	The Moderation Effect of RTTR on SECMF-SMP Relationship	203
Figure 5.14	The Moderation Effect of RTTR on SECMTR-SMP Relationship	203
Figure 5.15	The Moderation Effect of RTTR on SECFIN-SMP Relationship	204
Figure 5.16	The Moderation Effect of RTTR on SECTEC-SMP Relationship	204
Figure 5.17	The Moderation Effect of RTTR on SECOTH-SMP Relationship	205
Figure 5.18	The Moderation Effect of RTTR on SECIO-SMP Relationship	205
Figure 5.19	The Moderation Effect of RTTR on SECFORO-SMP Relationship	206
Figure 5.20	The Moderation Effect of RTTR on GDPG-SMP Relationship	207
Figure 5.21	The Moderation Effect of RTTR on NETFDI-SMP Relationship	207
Figure 5.22	The Moderation Effect of RTTR on INFL-SMP Relationship	208
Figure 5.23	The Moderation Effect of RTTR on DEBTGDP-SMP Relationship	209
Figure 5.24	The Moderation Effect of RTTR on DEBTGDP-SMP Relationship	209
Figure 5.25	The Moderation Effect of RTFIN on SECMF-SMP Relationship	212
Figure 5.26	The Moderation Effect of RTFIN on SECMTR-SMP Relationship	213
Figure 5.27	The Moderation Effect of RTFIN on SECFIN-SMP Relationship	214
Figure 5.28	The Moderation Effect of RTFIN on SECTEC-SMP Relationship	214
Figure 5.29	The Moderation Effect of RTFIN on SECOTH-SMP Relationship	215
Figure 5.30	The Moderation Effect of RTFIN on ISTO-SMP Relationship	215
Figure 5.31	The Moderation Effect of RTFIN on FORO-SMP Relationship	216
Figure 5.32	The Moderation Effect of RTFIN on GDPG-SMP Relationship	216
Figure 5.33	The Moderation Effect of RTFIN on NETFDI-SMP Relationship	217

Figure 5.34	The Moderation Effect of RTFIN on INFL-SMP Relationship	217
Figure 5.35	The Moderation Effect of RTFIN on DEBTGDP-SMP Relationship	218
Figure 5.36	The Moderation Effect of RTFIN on BOT-SMP Relationship	218
Figure 5.37	The Moderation Effect of RTTEC on SECMF-SMP Relationship	221
Figure 5.38	The Moderation Effect of RTTEC on SECOTH-SMP Relationship	221
Figure 5.39	The Moderation Effect of RTTEC on SECFIN-SMP Relationship	222
Figure 5.40	The Moderation Effect of RTTEC on SECTEC-SMP Relationship	222
Figure 5.41	The Moderation Effect of RTTEC on SECTR-SMP Relationship	223
Figure 5.42	The Moderation Effect of RTTEC on FORO-SMP Relationship	223
Figure 5.43	The Moderation Effect of RTTEC on INSO-SMP Relationship	224
Figure 5.44	The Moderation Effect of RTTEC on GDPG-SMP Relationship	224
Figure 5.45	The Moderation Effect of RTTEC on DEBTGDP-SMP Relationship	225
Figure 5.46	The Moderation Effect of RTTEC on NETFDI-SMP Relationship	225
Figure 5.47	The Moderation Effect of RTTEC on INFL-SMP Relationship	226
Figure 5.48	The Moderation Effect of RTTEC on BOT-SMP Relationship	226
Figure 5.49	The Moderation Effect of RTOTH on SECTR-SMP Relationship	229
Figure 5.50	The Moderation Effect of RTOTH on SECTEC-SMP Relationship	230
Figure 5.51	The Moderation Effect of RTOTH on DEBTGDP-SMP Relationship	230
Figure 5.52	The Moderation Effect of RTOTH on SECMF-SMP Relationship	231
Figure 5.53	The Moderation Effect of RTOTH on SECFIN-SMP Relationship	231
Figure 5.54	The Moderation Effect of RTOTH on INFL-SMP Relationship	232
Figure 5.55	The Moderation Effect of RTOTH on BOT-SMP Relationship	232
Figure 5.56	The Moderation Effect of RTOTH on ISTO-SMP Relationship	233
Figure 5.57	The Moderation Effect of RTOTH on NETFDP-SMP Relationship	233
Figure 5.58	The Moderation Effect of RTOTH on SECOTH-SMP Relationship	234
Figure 5.59	The Moderation Effect of RTOTH on FORO-SMP Relationship	234
Figure 5.60	The Moderation Effect of RTOTH on GDPG-SMP Relationship	235

LIST OF APPENDICES

Appendix Number	Appendix Name	Page
Appendix 1	Number of Share Traded and Number of Contracts in All Five Sectors during 2004-2010	324
Appendix 2	Descriptive Statistics, Skewness and Kurtosis for the Variables Partial	326
Appendix 3	Correlation Plots	335

LIST OF ABBREVIATIONS

APT	Arbitrage Price Theory
BOT	Balance of Trade
BRICs	Brazil, Russia, India and China
CEE	Central and Eastern European Countries
CAPM	Capital Asset Pricing Model
CEO	Chief Executive Officer
CG	Corporate Governance
CGI	Corporate Governance Index
CMB	Capital Markets Board of Turkey
CML	Capital Markets Law
CP	Company Performance
CPI	Consumer Price Index
DCFm	Discounted Cash Flow Model
DGDP	Debt to GDP ratio
EU	European Union
EFTA	European Free Trade Association
FDI	Foreign Direct Investment
FESE	Federation of European Securities Exchanges
SECFIN	Financial Sector
FORO	Foreign Ownership
EVA	Economic Value Added
G7	Great Seven Economic Countries in the World
G20	Great Twenty Economic Countries in the World
GDP	Gross Domestic Product
GNP	Gross National Product
GDPG	GDP Growth
IFC	International Financial Corporation
II	Institutional Investors
IAs	International Investments Agreements

IMF	International Monetary Fund
INFL	Inflation Rate
IOSCO	International Organization of Securities Commissions
IPO	Initial Public Offerings
ISE	Istanbul Stock Exchange
KLSE	Kuala Lumpur Stock Exchange
SECMF	Manufacturing Sector
MO	Managerial Ownership
NASDAQ	National Association of Securities Dealers Automated Quotations
NATO	North Atlantic Treaty Organization
NETFDI	Net of Inflows and Outflows of Foreign Direct Investment
NYSE	New York Stock Exchange
OECD	Organization of Economic Cooperation and Development
OC	Ownership Concentration
OS	Ownership Structure
SECOTH	Other Sectors
UNCTAD	United Nations Conference on Trade and Development
RTMF	Risk Taking in Manufacture Sector
RTFIN	Risk Taking in Financial Institutions Sector
RTOTH	Risk Taking in Others Sector
RTTEC	Risk Taking in Technology Sector
RTTR	Risk Taking in Transportations Sector
RT	Risk Taking
R & D	Research and Development
ROA	Return on Assets
ROE	Return on Equity
ROI	Return on Investment
S&P	Standards and Poor's
SEO	Seasoned Equity Offerings
SPSS	Statistical Package for the Social Sciences
SECTR	Transportation Sector

SECTEC	Technology Sector
WB	World Bank
WEC	Western Europe Countries
WEF	World Economic Forum
WTO	World Trade Organization

CHAPTER ONE

INTRODUCTION

1.1 Background of the Study

This chapter includes in the first part, the description of the world stock market performance and Turkey economy, while the second part describes the problem statement, research questions, research objectives and the terminology used in this study.

The last decade has seen an emergence of studies investigating the stock market performance, its causes and effects (e.g., Black, 2001a; Black, Love & Rachinsky, 2006; Asaolu & Ogunmuyiwa, 2011; Mangena & Tauringana, 2007; Liow, 2004; Guha, Deb & Mukherjee, 2008; Chuang, Lu & Tswei, 2007; Ruthenberg, Pearl & Landskroner, 2011; Ibrahim, 2003; Chaudhuri & Smiles, 2004). These studies mainly focus on the volatility, co-movements and performance of stock market indexes. Meanwhile, the fast growing financial markets (especially stock markets) and rapid economic growth have been among the main characteristics of many developing markets, for instance, Turkey was one of the fastest economy in 2010 with an annual growth in GDP of approximately 9%.

However, the recent researches in finance and economic fields of study identify many reasons in causing the fluctuations in the stock markets, some of them due to macroeconomics, others in microeconomics factors. Another factor is due to a country's lower rating from the average global rating in corporate governance rules and practices, culture, as well as on enforcement at country level and many other indices

The contents of
the thesis is for
internal user
only

REFERENCES

- Aaboen, L., Lindelof, P., Koch, C. & Lofsten, H. (2006). Corporate governance and performance of small high-tech firms in Sweden. *Technovation*, 26(8), 955-968.
- Abraham, S., & Cox, P. (2007). Analyzing the determinants of narrative risk information in UK FTSE 100 annual reports. *The British Accounting Review*, 39(3), 227-248.
- Abu-Libdeh, H., & Harasheh, M. (2011). Testing for correlation and causality relationships between stock prices and macroeconomic variables: the case of Palestine Securities Exchange. *International Review of Business Research Papers*, 7(5), 141-154.
- Acemoglu, D., & Zilibotti, F. (1997). Was prometheus unbound by chance? Risk, diversification and growth. *Journal of Political Economy*, 105, 709-75.
- Adam, A.M., & Tweneboah, G. (2008). Macroeconomic factors & stock market movement: evidences from Ghana, MPRA Paper112556, University library of Munich, Germany.
- Adrangi, B., Chatrath, A., & Sanvicente, A.Z. (2002). Inflation, output, and stock prices: evidence from Brazil. *The Journal of Applied Business Research*, 18(1), 61-77.
- Aebi, V., Sabato, G., & Schmid, M. (2011). Risk management, corporate governance, and bank performance in the financial crisis. *Journal of Banking & Finance*. doi:10.1016/j.jbankfin.2011.10.020. in press.
- Aggarwal, R., Erel, I., Ferreira, F., & Matos, P. (2010). Does governance travel around the world? Evidence from institutional investors. Working paper. Retrieved from http://papers.ssrn.com/sol3/papers.cfm?abstract_id=1361143

- Aghion, F., Reenen, J., & Zingales, L. (2009). Innovation and institutional ownership. *The national bureau of economic research, Working Paper No. 14769*.
- Aguilera, R., & Yip, G.S. (2004). Corporate governance and globalization: toward an actor-centered institutional analysis. Retrieved from <http://www.business.uiuc.edu/aguilera/pdf/Aguilera&Yip-Cha05-2004.pdf>
- Akcoraoglu, A., & Yurdakul, F. (2002). Global factors and stock returns: Empirical evidence from the Istanbul stock exchange. *The ISE Review*, 6(21), 1-19.
- Akgiray, V. (2012). 30 years in securities regulation. Capital markets board of Turkey. Retrieved from <http://www.cmb.gov.tr/duyurugoster.aspx?aid=201222&subid=0&ct=f&yanmenuid=1>
- Aksu, M, H., Muradoglu, G, Y., & Cetin, A.T. (2011). The impact of ownership concentration and IFRS adoption on earnings quality: Evidence from an emerging market. *American accounting association*. Annual meeting in Denver, USA.
- Albuquerque, A.M., Franco, G.De, & Verdi R.S. (2009). Peer choice in CEO compensation, working paper, Massachusetts institute of technology.
- Alexander, S.S. (1952). Effects of devaluation on a trade balance. *International Monetary Fund, Staff Papers*, 2(2), 263–278.
- Alfaraih, M., Alanezi, F.,& Almujaed, H. (2012). The influence of institutional and government ownership on firm performance: evidence from Kuwait. *International Business Research*, 5(10), 192-200.
- Ali, M.B. (2011). Impact of micro and macroeconomic variables on emerging stock market return: A case on Dhaka stock exchange. *Interdisciplinary Journal of Research in Business*, 1(5), 8-16.

- Ali, R., Ali, H., & Narges, R. (2010). Institutional ownership and stock liquidity: Evidence from Iran. *The Iranian Accounting and Auditing Review*, 17(61), 37-52.
- Aljifri, K., & Moustafa, M. (2007). The impact of corporate governance mechanisms on the performance of UAE firms: an empirical analysis. *Journal of Economic and Administrative Sciences*, 23(2), 71-93.
- Alpdunder, K. (2008). Corporate sector analysis in Turkey. Central bank of the republic of Turkey.
- Al-Qenae, R., Li, C., & Wearing, B. (2002). The information content of earnings on stock prices: the Kuwait stock exchange. *Multinational Finance Journal*, 6(3&4), 197-221.
- Al-Sharkas, A. (2004). The dynamic relationship between macroeconomic factors and the Jordanian stock market. *International Journal of Applied Econometrics and Quantitative Studies*, 1(1), 97-114.
- Aman, H., & Nguyen, P. (2007). Do stock prices reflect the corporate governance quality of Japanese firms? Working paper, University of New South Wales. Retrieved from http://papers.ssrn.com/sol3/papers.cfm?abstract_id=983301
- Anderson, C.R., Mansi, A.S., & Reeb, M.D. (2003). Founding family ownership and the agency cost of debt. *Journal of Financial Economics*, 68, 263–285.
- Anderson, R., & Reeb, D. (2003). Founding-family ownership and firm performance: evidence from the S&P 500. *Journal of Finance*, 58, 1301–1327.
- Ang, J.S., Cole, R.A., & Lin, J.W. (2000). Agency costs and ownership structure. *Journal of Finance*, 55, 81–106.

- Angkinand, A., & Wihlborg, C. (2011). Implicit guarantees, governance and banks' risk-taking in European banks through the crisis. Retrieved from www.snee.org/filer/papers/667.pdf
- Ansari, V.A. (2000). Capital asset pricing model: should we stop using it. *Vikalpa*, 25(1), 55-64.
- Ararat, M., & Orbay, H. (2006). Corporate governance in Turkey: Implications for investments and growth background paper for Turkey's investment climate assessment. Retrieved from <https://research.sabanciuniv.edu/801/1/stvkaf07a67.pdf>
- Aras, G., & Muslumov, A. (2005). Institutional investors and stock market development: a causality study. *Istanbul Stock Exchange Review*, 29, 1-14.
- Arbelaez, H., Urrutia, J., & Abbas, N. (2001). Short term and long term linkages among the Colombian capital market indexes. *International Review of Financial Analysis*, 10(3), 299–309.
- Ardagna, S. (2004). Financial markets' behavior around episodes of large changes in the fiscal stance. *European Central Bank working paper no.* 10788.
- Ardagna, S., Caselli, F., & Lane, T. (2006). Fiscal discipline and the cost of public debt service: some estimates for OECD countries. *The B.E. Journal of Macroeconomics* 7(1).
- Ariff, A., Ibrahim, M. & Othman, R. (2007). Determinants of firm level governance: Malaysian evidence. *Corporate Governance*, 7(5), 562-573.
- Arosa, B., Iturralde, T., & Maseda, A. (2010). Ownership structure and firm performance in non-listed firms: Evidence from Spain. *Journal of Family Business Strategy*, 1, 88–96.

- Asaolu, T.O., & Ogunmuyiwa, M.S. (2011). An econometric analysis of the impact of macroeconomic variables on stock market movement in Nigeria. *Asian Journal of Business Management*, 3(1), 72-78.
- Attig, N., El Ghouli, S. & Guedhami, O. (2009). Do multiple large shareholders play a corporate governance role? Evidence from East Asia. *Journal of Financial Research*, (32), 395-422.
- Audretsch, D.B., & Lehmann, E. (2002). Does the new economy need new governance? Ownership, knowledge and performance, CEPR discussion paper No. 3626.
- Aydin, N., Sayim, M., & Yalama, A. (2007). Foreign ownership and firm performance. *International research journal of finance and economics*, 11,103-111.
- Bade, R., & Parkin, M. (2006). *Essential foundations of economics*. Prentice Hall.
- Baek, J., Kang, J., & Park, K. (2004). Corporate governance and firm value: evidence from the Korean financial crisis. *Journal of Financial Economics*, 71, 265–313.
- Bai., C.E., Liu, Q., Lu, J., Song, F.M., & Zhang, j. (2004). Corporate governance and market valuation in China. *Journal of Comparative Economics*, 32,599–616.
- Baldwin, J.R., & Yan, B. (2008). Domestic and foreign influences on Canadian prices. *International review of economics and finance*, 17(4), 546-557.
- Banking regulation and supervision agency in Turkey. (2009). Financial markets reports, 16, 23-37
- Bansal, A., & pasricha, J.S. (2009). Foreign institutional investor's impact on stock prices in India. *Journal of academic research in economics*, 1(2), 81-89.
- Baron, R.M., & Kenny, D.A. (1986). The moderator–mediator variable distinction in social psychological research: Conceptual, strategic, and statistical considerations. *Journal of Personality and Social Psychology*, 51, 1173–1182.

- Barry, T.A, Lepetit, L., & Tarazi, A. (2011). Ownership structure and risk in publicly held and privately owned banks. *Journal of Banking & Finance*, 35, 1327–1340.
- Barth, J.R., Caprio, G., & Levine, R. (2004). Bank supervision and regulation: What works best? *Journal of Financial Intermediation*, 13, 205–248.
- Barth, J.R., Caprio, G., & Levine, R. (2006). *Rethinking Bank Regulation: Till Angels Govern*. Cambridge University Press.
- Bathala, C.T., Moon, K.P., & Rao, R.P. (1994). Managerial ownership, debt policy and institutional holdings: an agency perspective. *Financial Management*, 23, 38-50.
- Battilossi, S., Morys, M. (2011). Emerging stock markets in historical perspective: a research agenda. Centre for historical economics and related research at university of York. Cherry discussion paper series, 3. Retrieved from www.york.ac.uk/res/cherry/docs/1103dp.pdf
- Baumol, W., Litan, R., & Schramm, C. (2007). *Good capitalism, bad capitalism, and the economics of growth and prosperity*. New Haven, CT: Yale University Press.
- Beattie, V., Goosacre, A., Thomson, S.J. (2006), Corporate financing decisions: UK survey evidence. *Journal of Business Finance & Accounting*, 33(9&10), 1402-1434.
- Becht, M., Bolton, P., & Roell, A. (2002). Corporate governance and control. *European Corporate Governance Institute. Finance Working Paper*, 2.
- Been, W., Glosten, L.R., & Jagannathan, R. (1990). Predictable variations in stock index returns. *Journal of Finance*, 44, 1177-1189.
- Bekaert, G., & Harvey, C. (2000). Foreign speculators and emerging equity markets. *Journal of Finance*, 55, 565–613.

- Bekaert, G., Harvey, C.R., & Lumsdaine, R.L. (2002). The dynamics of emerging market equity flows. *Journal of International Money & Finance*, 21, 295–350.
- Bekaert, G., Harvey, C.R., & Lundblad, C. (2007). Liquidity and expected returns: Lesions from emerging markets. *Review of Financial Studies*, 20, 1783–1831.
- Bekaert, G., Harvey, C.R., Erb C. & Viskanta, T. (1998). *The behavior of emerging market returns in the future of emerging market capital flows*, Richard Levich (ed.), Boston: Kluwer Academic Publishers.
- Belghitar, Y., Clark, E., & Kassimatis, K. (2011). The prudential effect of strategic institutional ownership on stock performance. *International Review of Financial Analysis*, 20, 191–199.
- Bennedsen, M., Nielsen, K. M., Perez-Gonzalez, F., & Wolfenzon, D. (2007). Inside the family firm: The role of families in succession decisions and performance. *The Quarterly Journal of Economics*, 122(2), 647–691.
- Beretta, S., & Bozzolan, S. (2004). A framework for the analysis of firm risk communication. *The International Journal of Accounting*, 39(3), 265–288.
- Berle, A.A., & Means G.C. (1932). *The Modern Corporation and Private Property*. New York, Macmillan Publishing Co.
- Bertrand, M., & Mullainathan, S. (2003). Enjoying the quiet life? corporate governance and managerial preferences. *Journal of Political Economy*, 111, 1043–1075.
- Bertrand, M., & Schoar, A. (2003). Managing with style: The effect of managers on firm policies. *Quarterly Journal of Economics*, 118, 1169–1208.
- Berument, H., & Kutan, A.M. (2007). The stock market channel of monetary policy in emerging markets: evidence from the Istanbul stock exchange. *Scientific Journal of Administrative Development*, 5, 117- 144.

- Bhattacharya, B., & Mukherjee, J. (2008). Causal relationship between stock market and exchange rate, foreign exchange reserves and value of trade balance: a case study for India. 10th annual conference on money and finance in the Indian economy, Indira Gandhi institute of development research (IGIDR), retrieved from http://www.igidr.ac.in/money/mfc_5/basabi.pdf
- Bilyk, O. (2009). Foreign ownership and firm performance: a closer look at offshore-owned companies in Ukraine. A thesis submitted in partial fulfillment of the requirements for the degree of MA in economics Kyiv School of economics. Ukraine.
- Binder, J.J., & Merges, M.J. (2008). Stock market volatility and economic factors. Retrieved from http://papers.ssrn.com/sol3/papers.cfm?abstract_id=265272
- Bistrova, J., & Lace, N. (2010). Ownership structure in CEE companies and its influence on stock performance. *Economics and Management*, 15, 880-885.
- Black, B. (2001a). The corporate governance behavior and market value of Russian firms. *Emerging Markets Review*, 2, 89–108.
- Black, B. (2001b). Does corporate governance matter? A crude test using Russian data. *University of Pennsylvania Law Review*, 149, 2131–2150.
- Black, B., Love, I., & Rachinsky, A. (2006). Corporate governance indices and firms' market values: Time series evidence from Russia. *Emerging Markets Review*, 7, 361–379.
- Blass, A., & Yafeh, Y. (2001). Vagabond shoes longing to stray: why foreign firms list in the United States. *Journal of Banking & Finance*, 25, 555-572.
- Boal, W.M. (2007). Regulation and antitrust policy. Drake University, retrieved from <http://www.drake.edu/cbpa/econ/boal/180/ho/week06.pdf>

- Bodie, I. Kane, A. & Marcus, A.J. (2003). Essentials of investments. Fifth ed. McGraw Hill.
- Bodie, Z., Kane, A., & Marcus, A.J. (2006). Investments. London: McGraw-Hill/Irwin.
- Bokpin, G.A., & Isshaq, Z. (2009). Corporate governance, disclosure and foreign share ownership on the Ghana stock exchange. *Managerial Auditing Journal*, 24(7), 688-703.
- Borensztein, E., & Mauro, P. (2002). Reviving the case for GDP-indexed bonds. *International Monetary Fund*, policy discussion paper, 2(10).
- Boubakri, N., Cosset, J.C., & Saffar, W. (2011). The role of state and foreign owners in corporate risk-taking: evidence from privatization.
- Boyd, J. H., Levine, R. & Smith, R. (2001). The impact of inflation on financial sector performance. *Journal of Monetary Economics*, 47(2), 221-248.
- Brand, H. (2011). Where next for the global economy? A view of the world in 2030, accountancy feature. www.Accaglobal.com
- Breeden, D.T. (1979). An intertemporal asset-pricing model with stochastic consumption and investment opportunities. *Journal of Financial Economics*, 7, 265-296.
- Brenes, E. R., Madrigal, K., & Requena, B. (2010). Corporate governance and family business performance. *Journal of Business Research*, 63(5), 490-496.
- Brink, A.G., Hobson, J.L., & Stevens, D.E. (2011). The effect of financial incentives and earnings management on excessive risk-taking behavior: an experimental examination. American accounting association, annual meeting, 6-10 august 2011, Denver, Colorado, USA.

- Brooks, C. (2002). *Introductory econometrics for finance*. Cambridge University press, London.
- Bruno, V., Giulia, G., & Claessens, S. (2007). Corporate governance and regulation: Can there be too much of a good thing?. *World Bank policy research working paper* no, 4140.
- Burlaka, M. (2006). Bank corporate governance: The emerging Ukrainian market compared to international best practices. *Fordham Journal of Corporate & Financial Law*, 11(4), 851-891.
- Bushee, B.J. & Noe, C.F. (2000). Corporate disclosure practices, institutional investors, and stock return volatility. *Journal of Accounting Research*, 38, 171-202.
- Butt, B.Z., Rehman, K.U., Khan, M.A., & Safwan, N. (2010). Do economic factors influence stock returns? A firm and industry level analysis. *African Journal of Business Management*, 4(5), 583-593.
- Buyuksalvarcı, A. (2010). The effects of macroeconomics variables on stock returns: evidence from Turkey. *European Journal of Social*, 14(3), 404- 416.
- Buyuksalvarcı, A., & Abdioglu, H. (2010). Corporate governance, financial ratios and stock returns: an empirical analysis of Istanbul stock exchange (ISE). *International Research Journal of Finance & Economics*. (57). Retrieved from www.eurojournals.com/irjfe_57_05.pdf
- Caclbury A. (1992). *Code of best practice: Report from the committee on financial aspects of corporate governance*. London: Gee Publishing.
- Cakmak, Z. (2012), Development and opportunities in the Turkish market. *White & Case Growth Markets Seminar Series*, Turkey.

- Campbell, J.Y. (1987). Stock returns and the term structure. *Journal of Financial Economics*, 18, 373-399.
- Caprio, G., Laeven, L., & Levine, R. (2007). Governance and bank valuation. *Journal of Financial Intermediation*, 16 (4), 584–617.
- Carver, J. (2005). Now let's really reform governance. *Board Leadership*, (77), 5-7.
Retrieved from <http://www.boardleadershipnewsletter.com/sample-articles/reform-governance.aspx>
- Cebenoyan, A.S., Cooperman, E.S., & Register, C.A. (1999). Ownership structure, charter value and risk-taking behavior of thrifts. *Financial Management*, 28(1), 43–60.
- Cecchetti, S.G., Mohanty, M.S., & Zampolli, F. (2010). The future of public debt: prospects and implications. Bank of international settlements. *Working paper* 300.
Retrieved from <http://www.bis.org/publ/work300.pdf>
- Cella, C. (2009). Institutional investors and corporate investment. working paper, Indiana University, Kelley School of Business.
- Chaganti, R., & Damanpour, F. (1991). Institutional ownership, capital structure and firm performance. *Strategic Management Journal*, 12, 479–491.
- Chali, R.H. (2009). Relationship between corporate governance mechanisms and profit quality in companies accepted in Tehran stock exchange, MA Thesis, Payam-e Nur University.
- Chan, F.A., & Lim, C.B. (2011). Tourism stock performance and macro factors. 19th international congress on modeling and simulation - sustaining our future: understanding and living with uncertainty, MODSIM2011; Perth, Australia.

- Chan, L.K., Hamao, Y., & Lakonishok, J. (1991). Fundamentals and stock returns in Japan. *Journal of Finance*, 49, 1739-1789.
- Chaudhuri, K., & Smiles, S. (2004). Stock market and aggregate economic activity: evidence from Australia. *Applied Financial Economics*, 14, 121-129.
- Chen, C.R., Steiner, T.L., & Whyte, A.M. (2006). Does stock option-based executive compensation induce risk-taking? an analysis of the banking industry. *Journal of Banking & Finance*, 30, 915-945.
- Chen, N., Roll, R., & Ross, S. (1986). Economic forces and the stock market. *Journal of Business*, 59(3), 383-403.
- Chen, X., Harford, J., & Li, K. (2007). Monitoring: Which institutions matter?, *Journal of Financial Economics*, 86, 279-305.
- Chen, Z., Cheung, Y.L., Stouraitis, A., & Wong, A.W.S. (2005). Ownership concentration, firm performance, and dividend policy in Hong Kong. *Pacific-Basin Finance Journal*, 13, 431-449.
- Cheng, A.C.S. (1995). The UK stock market and economic factors: a new approach. *Journal of Business Finance and Accounting*, 22(1), 129-142.
- Cheng, J., Elyasiani, E., & Jia, J. (2009). Institutional ownership, managerial ownership and risk taking: evidence from the life-health insurance industry. Retrieved from <https://mywebpace.wisc.edu>
- Cheng, J., Elyasiani, E., & Jia, J.J. (2011). Institutional ownership stability and risk taking: evidence from the life-health insurance industry Indiana State University, networks financial institute, *working paper*, 14.
- Cheng, S. (2008). Board size and the variability of corporate performance. *Journal of Financial Economics*, (87), 157-176.

- Choi, S. & Hasan, I. (2005). Ownership, governance, and bank performance: Korean experience. *Financial Markets, Institutions and Instruments*, 14(4), 215-241.
- Chrisman, J.J., Chua, J.H., & Litz, R.A. (2003). A unified systems perspective of family firm performance: An extension and integration. *Journal of Business Venturing*, 18(4), 467–472.
- Christoffersen, P.F. (2012). Elements of financial risk management, second edition, Elsevier, Inc.
- Chuang, Y., Lu, J.R., & Tswei, K. (2007). Interdependence of international equity variances: Evidence from East Asian markets. *Emerging Markets Review*, 8, 311–327.
- Chun, S.E., Nagano, M. and Lee, M.H. (2011). Ownership structure and risk-taking behavior: evidence from banks in Korea and Japan. *Asian Economic Journal*, 25: 151–175.
- Citak, L., & Ersoy, E. (2012). The determinants of corporate debt ratio: an empirical analysis on Turkish corporations. *International Research Journal of Finance & Economics*, 95, 151-162.
- Claessens, S., Djankov, S., & Lang, L. (2000). The separation of ownership and control in East Asian corporations. *Journal of Financial Economics*, 58, 81–112.
- Clare, A.D., & Thomas, S.H. (1994). Macroeconomic factors, the APT and the UK stock market. *Journal of Business Finance and Accounting*, 2, 309-330.
- Clay, D.G. (2002). Institutional ownership and firm value. Working paper, University of Southern California, Marshall School of business.
- Coakes, S.J., Steed, L., & Dzidic, P. (2006). SPSS version 13. for Windows, analyzing without anguish. Australia: John Wiley & Sons.

- Cochrane, J.H. (2007). Financial markets and the real economy, handbook of the equity risk premium.
- Cole, A. & Jones, G. (2005). Reshaping the State: administrative reform and new public management in France. *Governance*, 18(4), 567-588.
- Cole, C.R., McCullough, E., He, K.A., & Sommer, D.W. (2011). Separation of ownership and management: implications for risk-taking behavior. *Risk Management and Insurance Review*, 14(1), 49-71.
- Coles J.L., Daniel, N.D., & Naveen, L. (2006). Managerial incentives and risk-taking. *Journal of Financial Economics*, 79, 431-468.
- Comincioli, B. (1996). The stock market as a leading indicator; an application of granger casualty. The university avenue undergraduate. *Journal of Economics*, Sample Issue.
- Cornett, M.M., Marcus, A.J., Saunders, A., & Tehranian, H. (2007). The impact of institutional ownership on corporate operating performance. *Journal of Banking & Finance*, 31, 1771-1794.
- Cornett, M.M., Tehranian, H., Marcus, A.J., & Saunders, A. (2006). Earnings management, corporate governance, and true financial performance. retrieved from http://papers.ssrn.com/sol3/papers.cfm?abstract_id=886142
- Covitz, D.M., Hancock, D., & Kwast, M.L. (2004). Market discipline in banking reconsidered: The role of deposit insurance reform and funding manager decisions. *Federal Reserve Board FEDS Series* 2004-53.
- Covrig, V., Lau, S.T., & Ng, L. (2006). Do domestic and foreign fund managers have similar preferences for stock characteristics? A cross-country analysis. *Journal of International Business Studies*, 47, 407-429.

- Credit Lyonnais Securities Asia (2001). Saints and sinners: Who's got religion. Report, retrieved from www.clsa.com.
- Creswell, J.W. (2005). Educational research: Planning, conducting, and evaluating quantitative and qualitative research, 2nd Ed. Upper Saddle River, NJ: Pearson Education.
- Cristina, S., & Mariana, M. (2010). Corporate governance: ownership's influence over business strategy and performance in Romanian banking system. *International Journal of Business Research*, 10(3).
- Cronqvist, H., & Fahlenbrach, R. (2009). Large shareholders and corporate policies. *Review of Financial Studies*, (22), 3941-3976.
- Cronqvist, H., & Nilsson, M. (2003). Agency costs of controlling minority shareholders. *Journal of Financial and Quantitative Analysis*, 38(4), 695–719.
- Cumming, C. & Hirtle B. (2001). The challenges of risk management in diversified financial companies, Federal Reserve Bank of New York economic policy review.
- Dahlquist, M., & Robertsson, G. (2001). Direct foreign ownership, institutional investors, and firm characteristics. *Journal of Financial Economics*, 59, 413–440.
- Dallas, G.S. (2004). Governance and risk--an analytical handbook for investors, managers, directors, and stakeholders. McGraw-Hill professional.
- Damodaran, A. (2007). Strategic risk taking – A framework for risk management. First edition, Wharton School publishing.
- Das, S. (2009). Corporate ownership and stock returns: an explanation to the capital asset pricing model. *Journal of financial economics*, 7(3&4), 64-70.
- Davis, E.P. (1996). The role of institutional investors in the evolution of financial structure and behaviour. *Financial Markets Group and ESRC working paper*.

- Davis, E.P., & Stone, M.R. (2004). Corporate financial structure and financial stability. *Journal of Financial Stability*, 1, 65–91.
- Dawar, G., & Goyal, S. (2012). Ownership structure and risk in Indian banks: a comparison of private and public banks. *International Journal of Management & Information Technology*, 1(1), 7-12.
- De Haan, J., & Stum, J.E. (1997). Political and economic determinants of OECD budget deficits and government expenditures: A reinvestigation. *European Journal of political economy*, 13(4), 739-750.
- DeFond, M.L., Hann, R.N., & Hu, X. (2005). Does the market value financial expertise on audit committees of boards of directors? *Journal of Accounting Research*, 43(2), 153-169.
- Del Guerccio, D., & Hawkins, J. (1999). The motivation and impact of pension fund activism. *Journal of Financial Economics*, 34, 3–45.
- Demsetz, H., & Lehn, K. (1985). The structure of corporate ownership: causes and consequences. *Journal of Political Economy*, 93, 1155-117.
- Demsetz, R.S., Saldenber, M.R., & Strahan, F.E. (1997). Agency problems and risk taking at banks. *Federal Reserve Bank of New York Working Paper*.
- Deng, S., & Jia, J. (2008). Institutional ownership, diversification, and risk-taking in BHCs. Southern Illinois University, school of business, economic and finance paper.
- Desender, K.A., Crespi-Cladera, R. & García-Cestona, M.A. (2008). Stock price performance and ownership structure during periods of stock market crisis: the Spanish case. *AAA 2009 Financial Accounting & Reporting Section (FARS) Meeting*.

- Dharwadkar, R., George, G., & Brandes, P. (2000). Privatization in emerging economies: An agency perspective. *Academy of Management Review*, 25(3), 650–669.
- Djankov, S., La Porta, R., López-de-Silanes, F., & Shleifer, A. (2008). The law and economics of self-dealing. *Journal of Financial Economics*, 88(3), 430-65.
- Doidge, C., Karolyi, G.A., & Slutz, R.M. (2007). Why do countries matter so much for corporate governance? *Journal of financial economics*, 86, 1-39.
- Douma, S., George, R., & Kabir, R. (2002). Foreign and domestic ownership, business groups and firm performance: evidence from a large emerging market.
- Downs, D.H., & Sommer D.W. (1999). Monitoring, ownership, and risk-taking: the impact of guaranty funds. *Journal of Risk and Insurance*, 66, 477-497.
- Duggal, R., & Millar, J.A. (1999). Institutional ownership and firm performance: the case of bidder return. *Journal of Corporate Finance*, 5, 103–117.
- Dumludag, D. (2009). An analysis of the determinants of foreign direct investment in Turkey: The role of the institutional context. *Journal of Business Economics and Management*, 10(1), 15-30.
- Dungey, M. & Pagan, A. (2000). A structural VAR model of the Australian economy. *Economic Record*, 76(235), 321-342.
- Durham, J.B. (2004). Absorptive capacity and the effects of foreign direct investment and equity foreign portfolio investment on economic growth. *European Economic Review*, 48(2), 285–306.
- Durnev, A., & Fauver, L. (2009). Stealing from thieves: firm governance and performance when states are predatory. McGill University, unpublished working paper.

- Dyck, A. & Zingales, L. (2004). Private benefits of control: An international comparison. *Journal of Finance*, 59, 537–600.
- Economy Watch. (2010). The definition of inflation. Retrieved from <http://www.economywatch.com>.
- Eddleston, K., Kellermanns, F.W., & Sarathy, R. (2008). Resource configuration in family firms: Linking resources, strategic planning and technological opportunities to performance. *Journal of Management Studies*, 45, 26–50.
- Editorial of Management Accounting Research (2009). Risk management, corporate governance and management accounting: Emerging interdependencies. *Management Accounting Research*, 20, 2–5.
- Edwards, S. (1996). Why are Latin America's savings rates so low? An international comparative analysis. *Journal of Development Economics*, 51(1), 5-44.
- El Mehdi, I.K. (2007). Empirical evidence on corporate governance and corporate performance in Tunisia. *Corporate Governance*, 15(6), 1429–1441.
- Eljelly, A.M.A (2009). Ownership and firm performance: the experience of Saudi Arabia's emerging economy. *International Business & Economics Research Journal*, 8(8), 25-34.
- Eng, L.L., & Mak, Y.T. (2003). Corporate governance and voluntary disclosure. *Journal of Accounting and Public Policy*, 22, 325–345
- Engle, R.F. & C.W.J. Granger. (1987). Cointegration and error correction: Representation, estimation and testing. *Econometrica*, 55, 251-276.
- Epps, R.W., & Cereola, S.J. (2008). Do institutional shareholder services (ISS) corporate governance ratings reflect a company's operating performance? *Critical Perspectives on Accounting*, 19, 1135–1148.

- Erdogan, A.I. (2011). Foreign-owned firms and domestically-owned firms in Turkey: an analysis of the differentiating characteristics. *Journal of Money, Investment & Banking*, 19, 124-129.
- Erdugan, R. (2012). The effect of economic factors on the performance of the Australian stock market. A thesis submitted in fulfillment of the requirements for the degree of doctor of philosophy to school of accounting and finance faculty of business and law Victoria University. Australia.
- Ergul, N. (1995). The efficient market hypothesis revisited: some evidence from the Istanbul stock exchange: A thesis submitted for the degree of doctor of philosophy, Department of Economics and Finance, Brunel University.
- Esty, B.C. (1997). Organizational form and risk taking in the savings and loan industry. *Journal of Financial Economics*, 44, 25–44.
- Faccio, M., & Lang, L.H.P. (2002). The ultimate ownership of western European corporations. *Journal of financial economics*, 65(3), 365-395.
- Faccio, M., Lang, L.P.H, & Young, L. (2001). Dividends and expropriation. *American economic review*, 91(1), 54-78.
- Faccio, M.M., & Lasfer, A. (2000). Do occupational pension funds monitor companies in which they hold large stakes? *Journal of Corporate Finance*, 6, 71–110.
- Fahlenbrach, R. (2007). Founder-CEOs, Investment Decisions, and Stock Market Performance. Charles A. dice center for research in financial economics, department of finance. *The Ohio State University. Dice Center WP 2004-20*.
- Fahlenbrach, R., & Stulz, R. (2009). Managerial ownership dynamics and firm value. *Journal of Financial Economics*, 92, 342-361.

- Fama, E.F. & Jensen M.C. (1983). Separation of ownership and control. *Journal of Law & Economics*, 26(2), 301-325.
- Fama, E.F. (1980). Agency problems and the theory of the firm. *Journal of Political Economy*, 88(2), 288-307.
- Fama, E.F., & French K.R. (1998). Taxes, financing decisions and firm value, *Journal of Finance*, 53, pp. 819-43.
- Fama, E.F., & French K.R. (2004). The capital asset pricing model: theory and evidence. *Journal of Economic Perspectives*, 18, 25-46.
- Fama, E.F., & French, K.R. (1989). Business conditions and expected returns on stocks and bonds. *Journal of Financial Economics*, 25, 23-49.
- Fan, J.P., Titman, S. & G.J. Twite (2004) An international comparison of capital structure and debt maturity choices, center for institutions and governance working paper no. 2005-e-3-cig, retrieved from <http://www.baf.cuhk.edu.hk/research/cig/>.
- Fazlzadeh, A., Hendi, A.T., & Alghadir, K. (2011). Tabriz the examination of the effect of ownership structure on firm performance in listed firms of Tehran stock exchange based on the type of the industry. *International Journal of Business & Management*, 6(3).
- Fazlzadeh, A., Hendi, A.T., & Mahboubi, K. (2011). The examination of the effect of ownership structure on firm performance in listed firms of Tehran stock exchange based on the type of the industry. *International Journal of Business & Management*, 6(3), 249-266.
- Fedorova, E.A., & Pankratov, K.A. (2010). Influence of macroeconomic factors on the Russian stock market. *Studies on Russian Economic Development*, 21(2), 165-168.

- Fernandez, A., & Gonzalez, F. (2005). How accounting and auditing systems can counteract risk-shifting of safety-nets in banking: some international evidence. *Journal of Financial Stability*, 1(4), 466–500.
- Ferreira, M., & Laux, P.A. (2007). Corporate governance, idiosyncratic risk, and information flow. *Journal of Finance*, 62(2), 951–90.
- Ferreira, M.A., & Matos, P. (2008). The colors of investors' money: The role of institutional investors around the world. *Journal of Financial Economics*, 88, 499–533.
- Filatotchev, I., Lien, Y.C., & Piesse, J. (2005). Corporate governance and performance in publicly listed, family controlled firms: evidence from Taiwan. *Asia Pacific Journal of Management*, 22(3), 257–283.
- Filer, R.K., Hanousek, j., & Campos, N.F. (1999). Do stock markets promote economic growth? Working paper No. 267. Retrieved from http://papers.ssrn.com/sol3/papers.cfm?abstract_id=1535900.
- Fisher, I. (1930). The stock market crash and after. New York, Macmillan Company.
- Florackis, C. (2008). Agency costs and corporate governance mechanisms: Evidence from UK firms. *International Journal of Managerial Finance*, 4(1), 37–55.
- Ford, T.C., Rork, J.C., & Elmslie. B.T. (2008). Considering the source: does the country of origin of FDI matter to economic growth? *Journal of Regional Science*, 48(2), 329–357.
- Foroughi, M. & Fooladi, M. (2011). Corporate ownership structure and firm performance: evidence from listed firms in Iran. *International Conference on Humanities, Society and Culture*. IACSIT Press, Singapore. 20,334–339.

- Foroughi, M., & Fooladi, M. (2012). Concentration of ownership in Iranian listed firms. *International Journal of Social Science and Humanity*, 2(2), 112-116.
- Forssbäck, J. (2007). Ownership structure, market discipline, and banks' risk taking incentives under deposit insurance. Retrieved from www.fma.org/Orlando/Papers/ForssbaeckFMA07Orl070117.pdf
- Francis, J., Khurana, I., & Pereira, R. (2005). Disclosure incentives and effects on cost of capital around the world. *The Accounting Review*, 80(3), 1125-1162.
- Francis, J., Schipper, K., & Vincent, L. (2005). Earnings and dividend informativeness when cash flow rights are separated from voting rights. *Journal of accounting & economics*, 39, 329-360.
- Froot, K.A. O'Connell, P.G.J., & Seasholes, M.S. (2001). The portfolio flows of international investors. *Journal of Financial Economics*, 59, 151-193.
- Gadhoun, Y., & Ayadi, M.A. (2003). Ownership structure and risk: A Canadian empirical analysis. *Quarterly Journal of Business & Economics*, 42, 19-39.
- Gao, H., & Mahmudi, H. (2010). Institutional holdings and seasoned equity offerings. Rotman school of management, University of Toronto, *working paper*.
- Garcia, V.F., & Liu, L. (1999). Macroeconomic determinants of stock market development. *Journal of applied economics*, 2(1), 29-59.
- Garcia-Marco, T., & Robles-Fernandez, M.D. (2008). Risk-taking behavior and ownership in the banking industry: The Spanish evidence. *Journal of Economics and Business*, 60, 332-354.
- Giannetti, M., & Simonov, A. (2006). Which investors fear expropriation? Evidence from investors' portfolio choices. *The Journal of Finance*, 61, 1507-1548.

- Gillan, S., & Starks, L. (2003). Corporate governance, corporate ownership, and the role of institutional investors: a global perspective. *Journal of Applied Finance*, (13), 4–22.
- Ginevicius, R., & Podvezko, V. (2009). Evaluating the changes in economic and social development of Lithuanian countries by multiple criteria methods. *Technological and Economic Development of Economy*, 15(3), 418-436.
- Girdzijauskas, S., & Streimikiene, D. (2009). Application of logistic models for stock market bubbles analysis. *Journal of Business Economics & Management*, 10(1), 45-51.
- Goetz, M. (2012). Bank diversification, market structure and bank risk taking: theory and evidence from U.S. commercial banks. The quantitative analysis unit of the Federal Reserve bank of Boston. *Working Paper No. QAU12-2*. Retrieved from <http://www.bostonfed.org/bankinfo/qau/index.htm>
- Golderman, S., & Shapiro, D. (2003). Governance infrastructure and US foreign direct investment. *Journal of International Business Studies*, 34(1), 19-39.
- Gomez, M.L., Nunez-Nickel, M., & Gutierrez, I. (2001). The role of family ties in agency contracts. *Academy of Management Journal*, 44(1), 81–95.
- Gompers, P.A., & Metrick, A. (2001). Institutional investors and equity prices. *The Quarterly Journal of Economics*, 116, 229–259.
- Gompers, P.A., Ishii, J. L., and Metrick, A. (2003). Corporate governance and equity prices. *Quarterly Journal of Economics*, 118 (1), 107-155.
- Gonenc, H. (2003). Ownership concentration and corporate performance. A simultaneous equation framework for Turkish companies. retrieved from (<http://ssrn.com/abstract=498263>).

- Gonencer, E. (2008). Development of corporate governance in the European Union and in Turkey as a candidate country, an assessment of theoretical, legal and practical aspects.
- Gonzalez, F. (2005). Bank regulation and risk-taking incentives: An international comparison of bank risk. *Journal of Banking & Finance*, 29, 1153–1184.
- Goranova, M., Alessandri, T.M., Brandes, P., & Dharwadkar, R. (2007). Managerial ownership and corporate diversification: a longitudinal view. *Strategic Management Journal*, 28(3), 211-225.
- Gorton, G. & Schmid, F. (2000). Universal banking and the performance of German firms. *Journal of Financial Economics*, 58, 29-80.
- Granger, C.W.J. (1969). Investigating causal relations by econometric models and cross-spectral methods. *Econometrica*, 37, 424-438.
- Gregoriou, A., Kontonikas, A., MacDonald, R., & Montagnoli, A. (2009). Monetary policy shocks and stock returns: Evidence from the British market. *Financial Markets and Portfolio Management*, 23(4), 401-410.
- Grinblatt, M., Titman, S., & Wermers, R. (1995). Momentum investment strategies, portfolio performance, and herding: A study of mutual fund behavior. *American Economic Review*, 85, 1088–1105.
- Grinstein, Y., & Michaely, R. (2005). Institutional holdings and payout policy. *Journal of Finance*, 60, 1389-1426.
- Grinsven (2010). Recent scandals and losses indicate that pro-active risk management is not yet a common practice in Financial Institutions (FI's). IOS press.
- Grinsven, J.V. (2010). Risk management in financial institutions formulating value propositions. Delft University Press

- Grinsven, J.V., Janssen, M., & Houtzager, M. (2005). Operational risk management and shared business process, *IT Monitor*.
- Groenewold, N. (2004). Fundamental share prices and aggregate real output. *Applied Financial Economics*, 14(9), 651-661.
- Grosfeld, I. (2006). Ownership concentration, uncertainty, and firm performance: evidence from an emerging market. University of Michigan in its series William Davidson institute working papers series, Number 834.
- Guay, W.R. (1999). The sensitivity of CEO wealth to equity risk: an analysis of the magnitude and determinants. *Journal of Financial Economics*, 53, 43-71.
- Gugler, K., Mueller, D.C. & Yurtoglu, B.B. (2003). Corporate governance and the returns on investment, *Finance Working Paper No. 06*. University of Vienna.
- Guha Deb, S., & Mukherjee, J. (2008). Does stock market development cause economic growth? a time series analysis for Indian economy. *International Research Journal of Finance & Economics*, 21, 142-149.
- Gundus, L., & Tatoglo, E. (2003). A comparison of the financial characteristics of group affiliated and independent firms in Turkey. *European business review*, 15(1), 48-54.
- Guner, N., Onder, Z., & Rhoades, S.D. (2000). Underwriter reputation and short-run IPO returns: a re-evaluation for an emerging market. *Topics in Middle Eastern and North African Economies Journal*, 2, 2-14.
- Gunsal N., & Cukur, S. (2007). The effects of macroeconomic factors on the London stock returns: a sectorial approach. *International Research Journal of Finance & Economics*, 10, 140-152.

- Gurbuz, A.O., Aybars, A., & Kutlu, O. (2010). Corporate governance and financial performance with a perspective on institutional ownership: empirical evidence from Turkey. *The Journal of applied Management Accounting Research*, 8(2), 21-38.
- Gursoy, G., & Aydogan, K. (1998). Equity ownership structure, risk taking and performance: an empirical investigation in Turkish companies. *The international global finance conference*, Istanbul, Turkey.
- Gurunlu, M., & Gursoy, G. (2010). The influence of foreign ownership on capital structure of non-financial firms: Evidence from Istanbul stock exchange. *Journal of Corporate Governance*, 9(4), 44-58.
- Habbershon, T.G., Williams, M., & MacMillan, I.C. (2003). A unified systems perspective of family firm performance. *Journal of Business Venturing*, 18(4), 451–465.
- Hair, J.F., Anderson, R.E., Tatham, R.L., & Black, W.C. (1998). Multivariate data analysis (5th Ed.). New Jersey: Prentice-Hall international Inc.
- Hair, J.F., Black, W.C., Babin, B.J., & Anderson, R.E. (2010). Multivariate data analysis. (7thEd). Prentice Hall, New Jersey.
- Hair, J.F.J, Black, W.C., Babin, B.J., Anderson, R.E., & Tatham, R.L. (2006). Multivariate data analysis, 6rd edition, the US: Prentice Hall PTR.
- Hammel, E. (2006). Stock market liberalization and industry growth, Harvard business school.
- Hampel, R. (1998). Committee on corporate governance: final report. London: Gee Publishing.
- Hampton, J.J. (2009). Fundamentals of enterprise risk management, how top companies assess risk, manage exposure, and seize opportunities, AMACOM, New York.

- Handa, P., & Schwatz, R.A. (1996). How best to supply liquidity to a securities market. *The journal of portfolio management*, 22, 44-51.
- Hansen, H., & Hill, C. (1991). Are institutional investors myopic? A time-series study of four technology driven industries. *Strategic Management Journal*, 12,1-16.
- Hartzell, J.C., & Starks, L.T. (2003). Institutional investors and executive compensation. *Journal of Finance*, 58, 2351–2374.
- Hassas Yeganeh, Y., Moradi, M., & Eskandar, H. (2008). Study of relationship between institutional investors and company value. *Accounting and Auditing Studies*, 52(15), 107-122.
- Healy, P.M., & Palepu, K.G. (2001). Information asymmetry, corporate disclosure, and the capital markets: A review of the empirical disclosure literature. *Journal of Accounting & Economics*, 31(1-3), 405-440.
- Heffes, E.M. (2003). Restoring corporate integrity and public trust. *Financial Executive*, 19(4), 18-19.
- Henry, D.K., & Clark, A.M. (2011). China at the crossroads. Retrieved from <http://www.thebostoncompany.com>.
- Hill, C.W., & Snell, S.A. (1989). Effects of ownership structure and control on corporate productivity. *Academy of Management Journal*, 32: 25–46.
- Himmelberg, C.P., Hubbard, R.G., & Palia, D. (1999). Understanding the determinants of managerial ownership and the link between ownership and performance. *Journal of Financial Economics*, 53, 353–384.
- Hiraki, T., Inoue, H., Ito, A., Kuroki, F., & Masuda, H. (2002). Corporate governance and firm value in Japan: evidence from 1985-1998, *pacific Basin finance journal*, 11(3), 239-265.

- Hoguet, G.R. (2008). Inflation and stock price, state street global advisors. Retrieved from <http://www.ssga.com>.
- Holderness, C.G. (2009). The myth of diffuse ownership in the United States. *Review of Financial Studies*, 22,1377–1408.
- Horne, V. (2006). Fundamentals of financial management, 12th edition. Prentice Hall Publisher Ltd.
- Hosal-Akman, N., Simga-Mugan, c., & Akisik, O. (2010). Ownership structure effect on firm performance: evidence from an emerging market.
- Hosseini, S.M., Ahmad, Z., & Lai, W.Y. (2011). The role of macroeconomic variables on stock market index in China and India. *International Journal of Economics and Finance*, 3(6), 233-243.
- Houston, J.F., Lin, C., Lin, P., & Ma, Y. (2010). Creditor rights, information sharing, and bank risk taking. *Journal of Financial Economics*, 96 (3) 485-512.
- Hu, H., Tam, O., & Tan, M. (2010). Internal governance mechanisms and firm performance in China. *Asia Pacific Journal of Management*, 27(4), 727-749.
- Hughes, P.J. (1986). Signaling by direct disclosure under asymmetric information. *Journal of Accounting and Economics*, 8, 119–142.
- Humpe, A., & Macmillan, P. (2007). Can macroeconomic variables explain long term stock market movements? a comparison of the US and Japan CDMA Working. *Journal of Finance*, 30, 209-245.
- Huther, J., & Shah, A. (1998). Applying a simple measure of good governance to the debate on fiscal decentralization. *World Bank Publications, Business and Economics*, 1894.

- Iannotta, G., Nocera, G., & Sironi, A. (2007). Ownership structure, risk and performance in the European banking industry. *Journal of Banking & Finance*, 31, 2127–2149.
- Ibrahim, M.H. (2003). Macroeconomic forces and capital market integration: A VAR Analysis for Malaysia. *Journal of the Asia Pacific Economy*, 8(1), 19-40.
- Inoue . (2008). The causal relationships in mean and variance between stock returns and foreign institutional investment in India. IDE discussion paper, No.180.
- Institutional Shareholder Services (ISS) Corporate performance. *Critical Perspectives on Accounting*, 19(8), 1135-1148.
- Islam, M. (2003). The Kuala Lumpur stock market and economic factors: a general-to-specific error correction modeling test. *Journal of Academy of Business & Economics*, 30(2), 40-67.
- Islam, M., & Watanapalachaikul, S. (2003). Time series financial econometrics of the Thai stock market: a multivariate error correction and valuation model. *Journal of Global Finance*, 10(5), 90-127.
- Isshaq, Z., Bokpin, G.A., & Onumah, G.M. (2009). Corporate governance, ownership structure, cash holdings, and firm value on the Ghana stock exchange. *The Journal of Risk Finance*, 10(5), 488-499.
- Jara-Bertin, M., Lopez-Iturriaga, F. & Lopez-de-Foronda, O. (2008). The contest to the control in European family firms: How other shareholders affect firm value. Corporate governance: An *International Review*, (16), 146–159.
- Jegadeesh, N. & Titman, S. (1993). Return to buying and selling losers: implications for stock market efficiency. *Journal of Finance*, 48(1), 65-91.

- Jensen, M. (1986). Agency costs of free cash flow, corporate finance, and takeovers. *American Economic Review*, 76, 323-329.
- Jensen, M.C., & Meckling, W.H. (1976). Theory of the firm: Managerial behavior, agency cost, and capital structure. *Journal of Financial Economics*, 3, 305-360.
- Jin, L., & Myers, S. (2006). R-Squared around the world: new theory and new tests. *Journal of Financial Economics*, 79, 257-292.
- Joh, S. (2003). Corporate governance and firm profitability: evidence from Korea before the economic crisis. *Journal of Financial Economics*, 68, 287-322.
- John, K., Litov, L., & Yeung, B. (2008). Corporate governance and risk-taking. *Journal of Finance*, 63, 1679-1728.
- John, K., Litov, L., & Yeung, B., (2007). Corporate governance and risk-taking. *SSRN working papers series*. Retrieved from <http://papers.ssrn.com>
- Kahyaoglu, H., & Bozkus, S. (2010). The relationship between stock return asymmetries and corporate governance: An empirical work on the Turkish case, *Journal of Yasar University*, 18(5), 2938-2948.
- Kapil, S. (2011). Financial management, Dorling Kindersley (India) Pvt Ltd.
- Karels, G.V., & McClatchey, C. (1999). Deposit insurance and risk-taking behavior in the Credit Union Industry. *Journal of Banking and Finance*, 23, 105-134.
- Kazi, M.H. (2008). Stock market price movements and macroeconomic variables. *International Review of Business Research Papers*, 4(3), 114-126.
- Kempf, A., Ruenzi, S., & Thiele, T. (2009). Employment risk, compensation incentives and managerial risk taking: Evidence from the mutual fund industry. *Journal of Financial Economics*, 92, 92-108.

- Khas, M.N. (2002). Corporate governance in Malaysia: issues and challenges, colloquium for UiTM-MICG corporate governance research center (UiTM Shah Alam, Malaysia).
- Kho, B.C., Stulz, R., & Warnock, F. (2009). Financial globalization, governance, and the evolution of the home bias. *Journal of Accounting Research*, 47, 597–635.
- Kim, E.H. (1998). Globalisation of capital markets and the Asian financial crisis. *Journal of Applied Corporate Finance*, 11, 30–39.
- Kim, E.H., & Lu, Y. (2011). CEO ownership, external governance and risk taking. *Journal of Financial Economics*, 102, 272-292.
- Kim, K.A., Kitsabunnarat, P., & Nofsinge, J.R. (2005). Ownership and operating performance in an emerging market: evidence from Thai IPO firms. *Journal of Corporate Finance*, 10, 355– 381.
- Kim, S., & Yang, D.Y. (2008). The impact of capital inflows on emerging East Asian economies: is too much money chasing too little good? *Asian development bank, Working Paper Series on Regional Economic Integration* No. 15.
- Kim, S., Kim, S.H., & Wang, Y. (2004). Macroeconomic effects of capital account liberalization: the case of Korea. *Review of Development Economics*, 8(4), 634–649.
- Kim, W., Sung, T., & Wei, S.J. (2011). Does corporate governance risk at home affect investment choices abroad? *Journal of international economics*, 85, 25-41.
- Kirkpatrick, G. (2009). The corporate governance lessons from the financial crisis, steering group on corporate governance, *OECD, Financial Market Trends*, 1, 1-9.
- Klapper, L.F., & Love, I. (2004). Corporate governance, investor protection, and performance in emerging markets. *Journal of Corporate Finance*, 10, 287 – 322.

- Korkeamaki, T., & Xu, D. (2011). Institutional investors and foreign exchange risk.
- koudstaal, M., & Wijnbergen, S.V. (2012). On risk, leverage and banks: do highly leveraged banks take on excessive risk? Duisenberg School of finance - Tinbergen institute discussion paper 12-022/2/DSF31.
- Krafft, J., & Ravix, J. (2005). The governance of innovative firms: An evolutionary perspective. *Economics of Innovation & New Technology*, 14(3), 125-147.
- Krishnamurti, C., Sevic, A., Sevic, Z. (2003). Voluntary disclosure, transparency and market quality: evidence from emerging market ADRs, *Journal of Multinational Financial Management*, 15, 435-454.
- Krishnan, G.V., & Visvanathan, G. (2008). Does the SOX definition of an accounting expert matter? The association between audit committee directors' accounting expertise and accounting conservatism. *Contemporary Accounting Research*, 25(3), 827-857.
- Krishnan, G.V., & Visvanathan, G. (2009). Do auditors price audit committee's expertise? The case of accounting versus non-accounting financial experts. *Journal of Accounting, Auditing & Finance*, 24(1), 115-124.
- Krishnan, J., & Lee, J. E. (2009). Audit committee financial expertise, litigation risk, and corporate governance. *Auditing*, 28(1), 241-261.
- Kumar, J. (2005). Agency theory and firm value in India. Indira Gandhi institute of development research.
- Kurdistan board of investment. (2012). <http://www.kurdistaninvestment.org>
- Kwon, C.S., & Shin, T.S. (1999). Cointegration and causality between macroeconomic variables and stock market returns. *Global Finance Journal*, 10(1), 71-81.

- Kyereboah-Coleman, A., & Agyire-Tettey, K.F. (2008). Impact of macroeconomic indicators on stock market performance: The case of the Ghana stock exchange. *Journal of Risk Finance*, 9(4), 365–378.
- La Porta, R., Lopez-de-Silanes, F., Shleifer, A. (2006). What works in securities law? *Journal of finance*, 61, 1-32.
- La Porta, R., Lopez-de-Silanes, F., Shleifer, A., & Vishny, R. (1998). Law and Finance. *Journal of Political Economy*, 106(6), 1113-1155.
- La Porta, R., López-de-Silanes, F., Shleifer, A., & Vishny, R. (1997). Legal determinants of external finance. *Journal of Finance*, 52, 1131-50.
- La Porta, R., Lopez-de-Silanes, F., Shleifer, A., & Vishny, R. (2002). Investor protection and corporate valuation. *Journal of Finance*, 57, 1147–1170.
- La Porta, R., Lopez-de-Silanes, F., Shleifer, A., & Vishny, R. (2000). Investor protection and corporate governance. *Working paper, Harvard University*.
- Laeven, L. & Levine, R. (2008). Complex ownership structures and corporate valuations. *Review of Financial Studies*, (21), 597-604.
- Laeven, L. & Levine, R. (2009). Bank governance, regulation and risk taking. *Journal of Financial Economics*, 93, 259-275.
- Lansing, K.J. (2011). Asset pricing with concentrated ownership of capital. Working paper no.11, Norges Bank and Federal Reserve Bank of San Francisco.
- Lascelles, E. (2012). What a sluggish economy means for stocks. RBC Global Asset Management. Retrieved from <http://www.rbcgam.com>.
- Laurenceson, J. & Chai, J.C.H. (2003). Financial reform and economic development in China, advances in Chinese economic studies, Edward Elgar Publishing Limited.

- Lauterbach, B., & Vaninsky, A. (1999). Ownership structure and firm performance: Evidence from Israel. *Journal of Management & Governance*, 3, 189–201.
- Lee, S. (2009). Corporate governance and firm performance. Unpublished dissertation in Doctor of Philosophy in economic, Department of economics the University of Utah.
- Lee, S.W. (2002). Insider ownership and risk-taking behavior at bank holding companies. *Journal of Business Finance & Accounting*, 29(7) & (8).
- LeFevre, R. (1966). The philosophy of ownership, Ludwig von Mises Institute.
- Lehmann, E., Warning, S., & Weigand, J. (2004). Governance structures, multidimensional efficiency and firm profitability. *Journal of Management & Governance*, 8(3), 279-304.
- Lemmon, M. L., & Lins, K.V. (2003). Ownership structure, corporate governance, and firm value: evidence from the East Asia financial crisis. *Journal of Finance*, 58(4), 1445–1468.
- Letza, S., Kirkbride, J., Moores, J., Sun, X., & Smallman, C. (2008). Corporate governance theorizing: Limits, critics and alternatives. *International Journal of Law & Management*, 50(1), 17-32.
- Leuz, C., Lins, K.V., & Warnock, F.E. (2009). Do foreigners invest less in poorly governed firms? *Review of Financial Studies*, 22, 3246-3285.
- Levine, R. (1991). Stock Markets, Growth, and Tax Policy. *Journal of Finance*, 46(4), 1445-1465.
- Levine, R., & Zevos, S.J. (1995). Stock market development and long-run growth. *World Bank Economic Review*, 82(4), 942-963.

- Levine, R., & Zevos, S.J. (1998). Stock markets, banks, and economic growth. *American Economic Review*, 88, 537-558.
- Li, D., & Wu, C. (2002). The colour of the cats. *Economic and Social Review*, 33, 133–146.
- Li, D., Moshirian, F., Pham, p.k., & Zein, j. (2004). When financial institutions are large shareholders – the role of corporate governance environments.
- Li, J., Lam, K., Qian, G., & Fang, Y. (2006). The effects of institutional ownership on corporate governance and performance: An empirical assessment in Hong Kong. *Management International Review*, 46(3), 259-276.
- Li, K., Morck, R., Yang F., & Yeung, B. (2004). Firm-specific information and openness of emerging markets. *The Review of Economics and Statistics*, 86, 658-669.
- Li, S. (2005). Why a poor governance environment does not deter foreign direct investment: the case of china and its implications for investment protection. *Business Horizonz*, 48, 297-302.
- Li, S., & Filer, L. (2004). Governance environment and mode of investment. *Paper Presented at the Academy of International Business Annual Meeting, Stockholm, Sweden*.
- Libby, R., & Tan, H.T. (1999). Analysts' reactions to warnings of negative earnings surprises. *Journal of Accounting Research*, 37(2), 415–435.
- Lin, C., Ma, Y., Malatesta, P., & Xuan, Y. (2011). Ownership structure and the cost of corporate borrowing. *Journal of Financial Economics*, 100, 1–23.
- Lin, J., Lee, Y., & Liu, Y. (2007). IPO auctions and private information. *Journal of Banking and Finance*, 31, 1483–1500.

- Lins, K.V. (2003). Equity ownership and firm value in emerging markets. *Journal of Financial and Quantitative Analysis*, 38, 159–184.
- Linsley, P.M. & Shrives, P.J. (2006). Risk reporting: A study of risk disclosures in the annual reports of UK companies. *British Accounting Review*, 38(4), 387-404.
- Lintner, J. (1965). The evaluation of risky assets and the selection of risky investments in stock portfolios and capital budgets. *Review of Economics and Statistics*, 47, 13-37.
- Liow, K.H. (2004). Corporate real estate and stock market performance. *The journal of real estate finance and economics*, 29(1), 199-140.
- Loukil, N., & Yousfi, O. (2010). Does corporate governance affect stock liquidity in the Tunisian stock market. *Munich Personal RePEc Archive, MPRA*.
- Loukil, N., Zayani, M.B., & Omri, A. (2010). Impact of liquidity on stock returns: an empirical investigation of the Tunis stock market. *Macroeconomics and finance in emerging market economies*, 3(2), 261-283.
- Love, I. (2010). Corporate governance around the world: What we know and what we do not. *World Bank Research Observer*, 18(1), 25-59.
- Ma, L., & Tang, Y. (2012). Portfolio manager ownership and mutual fund risk taking. Retrieved from <http://papers.ssrn.com>
- MacCrimmon, K.R. & Wehrung, D.A. (1986). Taking risks. free press, New York, 36–37.
- Maghayereh, A. (2002). Causal relations among stock prices and macroeconomic variables in the small, open economy of Jordan. Retrieved from <http://paper.ssrn.com>.

- Malmendier, U., & Tate, G. (2005). CEO overconfidence and corporate investment. *Journal of Finance*, 60, 2661–2700.
- Mandaci, P.E. (2009). Testing capital structure models for Turkish non-financial firms: the analysis of firm-specific financial factors and agency variables. *Investment Management and Financial Innovations*, 6(1), 231-241.
- Mandacı, P.E., & Gumus, G.K. (2010). Ownership concentration, managerial ownership and firm performance: evidence from Turkey. *SEE Journal of Economics and Business*, 57-66.
- Mangena, M. & Tauringana, V. (2007). Disclosure, corporate governance and foreign share ownership on the Zimbabwe stock exchange. *Journal of International Financial Management and Accounting*, 18(2), 53-85.
- Markowitz, H. (1952). Portfolio selection. *Journal of Finance*, 7(1), 77–91.
- Maroney, N., & Protopoadakis, A. (2002). The book-to-market and size effects in a general asset-pricing model: evidence from seven national markets. *European Finance Review*, 6, 189-221.
- Maury, B. & Pajuste, A. (2005). Multiple large shareholders and firm value. *Journal of Banking and Finance*, (29), 1813–34.
- Maury, B. (2006). Family ownership and firm performance: Empirical evidence from Western European corporations. *Journal of Corporate Finance*, 12(2), 321–341.
- Mayers, D., & Smith, C.W. (1981) Contractual provisions, organizational structure, and conflict control in insurance markets. *Journal of Business*, 54(3), 407-434.
- Maysami, R.C., & Koh, T.S. (2000). A vector error correction model of the Singapore stock market. *International Review of Economics and Finance*, 9, 79-96.

- Maysami, R.C., Howe, L.C., & Hamzah, M.A. (2004). Relationship between macroeconomic variables and stock market Indices: Cointegration evidence from stock exchange of Singapore. All-S sector indices, *Jurnal Pengurusan*, 24, 47-77.
- McConnell, J.J., & Servaes, H. (1990). Additional evidence on equity ownership and corporate value. *Journal of Financial Economics*, 27, 595-612.
- McKinsey & Company (2002). Global investor opinion survey. Retrieved from <http://www.mckinsey.com>.
- McMillan, D.G. (2001). Cointegration relationships between stock market indices and economic activity: evidence from US data. Discussion Paper; 0104. Centre for research into industry, enterprise, finance and the firm (CRIEFF). University of St. Andrews, Scotland.
- Measurement of gross domestic product (GDP) in current price and constant price or difference between nominal GDP and real GDP (2010). Retrieved from <http://economicconcepts.com>.
- Mehran, H. (1995). Executive compensation structure, ownership, and firm performance. *Journal of Financial Economics*, 38, 163–184.
- Melnikas, B. (2008). Integral spaces in the European Union: possible trends of the social, economic and technological integration in the Baltic region. *Journal of Business Economics and Management*, 9(1), 65-77.
- Menike L.M.C.S. (2006). The effect of macroeconomic variables on stock prices in emerging Sri Lanka stock market. *Sabaragamuwa University Journal*, 6(1), 50-67.
- Merna, T., & Al-Thani, F. (2008). Corporate Risk Management, 2nd Edition. John Wiley & Sons Ltd.

- Merton, R.C. (1987). A simple model of capital market equilibrium with incomplete information. *Journal of Finance*, 42, 483-510.
- Mihai, I.O. (2012). Foreign owned companies and financial performance.a case study on companies listed on Bucharest stockexchange. *Economics and Applied Informatics*, 1,13-20.
- Mikkelson, W.H., Partch, M.M., &Shah, K. (1997). Ownership and operating performance of companies that go public. *Journal of Financial Economics*, 44, 281–307.
- Miller, D., Le Breton-Miller, I., Lester, R. H., & Cannella, A.A. (2007). Are family firms really superior performers? *Journal of Corporate Finance*, 13(5), 829–858.
- Mitton, T. (2002). A cross-firm analysis of the impact of corporate governance on the East Asian financial crisis. *Journal of Financial Economics*, 64, 215–241.
- Mizrahi, V. (2011). Ownership structure, corporate governance, and firm performance: evidence from Turkey. Lap lambert Academic Publishing.
- Moradi, M. (2007). Investigate of relationship between institutional investors and income quality, M.A thesis of accounting, department of management Tehran University, Iran.
- Morck, R., Shleifer, A., & Vishny, R. (1988). Management ownership and market valuation: An empirical analysis. *Journal of Financial Economics*, 20,293–315.
- Morck, R., Wolfenzon, D., & Yeung, B. (2005). Corporate governance, economic entrenchment and growth. *Journal of Economic Literature*, 43, 657-722.
- Morgan, D. (2011). If you will lead: enduring wisdom for 21st-century leaders. Agate Publishing.

- MSCI inc. (2010). Is there a link between GDP growth and equity returns? *MSCI Barra Research Paper* No. 18 retrieved from <http://www.msribarra.com>.
- Mukherjee, T.K., & Naka, A. (1995). Dynamic relations between macroeconomic variables and the Japanese stock market: an application of a vector error correction model. *Journal of Financial Research*, 18(2), 223-237.
- Mun, H.W., Siong, E.C. & Long, B.S. (2008). Stock market and economic growth in Malaysia: causality test. *Asian Social Science*, (4), 86-92.
- Nada, K. (2005). Ownership structure and bank performance: Evidence from the Middle East and North Africa. Working paper. Long Island University, New York, USA.
- Namazi, M., & Kermani, E. (2008). Effect of ownership structure on performance of companies accepted in Tehran stock exchange. *Accounting and Auditing Studies*, 53(15), 83-100.
- Nazlioglu, B., Sendurur, U., Yanik, S.S., & Ozerhan, Y. (2012). The effect of ownership structure on stock prices during crisis periods: a study on ISE 100 index. *International Journal of Business and Social Science*, 3(6), 82-88.
- Neisser, H. (1950). The international propagation of income changes. *Metroeconomica*, 2(1), 1-19.
- Nenova, T. (2003). The value of corporate voting rights and control: A cross-country analysis. *Journal of Financial Economics*, 68, 325-351.
- Ng, A., Yuce, A., & Chena, E. (2009). Determinants of state equity ownership and its effect on value/ performance: China's Privatized Firm. *Pacific-basin finance journal*, 17(4), 413-443.

- Nguyen, P. (2010). Does ownership matter? Evidence of the effect of foreign investors on the risk-taking behavior of Japanese firms. Retrieved from www.iemniae.univ-nantes.fr
- Nguyen, P. (2011). Corporate governance and risk-taking: Evidence from Japanese firms. *Pacific-Basin Finance Journal*, 19, 278–297.
- Nguyen, P. (2012). The impact of foreign investors on the risk-taking of Japanese firms. *Journal of the Japanese and International Economies*, 26, 233–48.
- Nier, E., & Baumann, U. (2006). Market discipline, disclosure and moral hazard in banking. *Journal of Financial Intermediation*, 15, 332–361.
- Nishat, M. & Shaheen, N. (2004). Macroeconomic factors and Pakistani equity market. department of finance and economics, *Institute of Business Administration Karachi*, Pakistan.
- Nofsinger, J.R., & Sias, R.W. (1999). Herding and feedback trading by institutional and individual investors. *Journal of Finance*, 54, 2263–2295.
- Northrup, C.C. (2003). The American economy: a historical encyclopedia, Volume One: Short Entries. ABC-CLIO, Inc.
- Norvaisiene, R., Stankeviciene, J., & Krusinskas, R. (2008). The impact of loan capital on the Baltic listed companies' investment and growth. *Engineering Economics*, 2, 40-48.
- Obembe, O.B., Adebisi, S.A., & Adesina, J.A. (2012). Bank loans, ownership structure and efficiency of listed manufacturing firms in Nigeria. *Advances in Management & Applied Economics*, 1(2), 221-236.
- OECD (Organization for Economic Co-operation and Development) Principles of Corporate Governance,(2004).

OECD (Organization for Economic Co-operation and Development), economic outlook, 2011, 2 (90).

OECD (Organization for Economic Co-operation and Development), Factbook 2011: Economic, Environmental and Social Statistics.

OECD (Organization for Economic Co-operation and Development), science, technology and industry outlook 2012.

Olsson, C. (2002). Risk management in emerging markets, how to survive and prosper. Pearson Education Limited.

Oman, p. C. (2001). Corporate governance and national development. Organization for economic co-operation and development (OECD), development center, technical papers. No. 180.

Omran, M., & Pointon, J. (2001). Does the inflation rate affect the performance of the stock market? The case of Egypt. *Emerging Markets Review*, 2(3), 263-279.

Oskooe, S.A.P. (2010). Emerging stock market performance and economic growth. *American Journal of Applied Sciences*, 7(2), 265-269.

Owusu-Nantvi, V., & Kuwornu, J.K.M. (2012). Analysing the effect of macroeconomic variables on stock market returns: evidence from Ghana. *Journal of Economics & International Finance*, 3(11), 605-615.

Ozbay, E. (2009). The relationship between stock returns and macroeconomic factors: Evidence from Turkey. University of Exeter, Retrieved from <http://www.cmb.gov.tr/displayfile.aspx?action=displayfile&pageid=61&fn=61.pdf>

Ozer, M. (2003). Financial liberalisation in Turkey during the period 1980-2000. *Journal of Economic Cooperation*, 24(2), 1-38.

- Ozturk, B. (2008). The effects of macroeconomic factors on Istanbul stock exchange national 100 index and its volatility. (1997-2006), Thesis, Istanbul technical University (in Turkish).
- Pagano, M., & Volpin, P.F. (2005). The political economy of corporate governance. *The American economic review*. September. 1005-1030.
- Paligorova, T. (2010). Corporate risk-taking and ownership structure. *Bank of Canada Working Paper* 3.
- Pallant, J. (2005). SPSS survival manual Berkshire, UK: Open University Press.
- Panetta, F. (2002). The stability of the relation between the stock market and macroeconomic forces. *Economic Notes*, 31(3), 417-450.
- Parigi, B.M., & Pelizzon, L. (2008). Diversification and ownership concentration. *Journal of Banking & Finance*, 32, 1743–1753.
- Park, S.R. (2004). Ownership concentration and corporate performances in the Northeast Asian countries. Korea capital market institutes. Retrieved from <http://www.ksri.org>
- Park, Y.B., & Slater, J.R. (2000). The influence of foreign capital on the Korean stock exchange. *The journal of the Korean economy*, 1(2), 353-365.
- Parrino, R., Sias, R., & Starks, L.T. (2003). Voting with their feet: Ownership changes around the time of CEO turnover. *Journal of Financial Economics*, 68, 3–46.
- Pattarathammas, S., & Khanthavit, A. (2009). World and regional factors in stock market returns. *International Journal of Managerial Finance*, 5(2), 222-241.
- Peng, M., Wang, D., & Jiang, Y. (2008). An institution-based view of international business strategy: A focus on emerging economies. *Journal of International Business Studies*, 39, 920–936.

- Perignon, C. & Smith, D. (2010). The level and quality of value-at-risk disclosure by commercial banks. *Journal of Banking & Finance*, 34(2), 362-377.
- Perold, A.F. (2004). The capital asset pricing model. *Journal of Economic Perspectives*, 18(3), 3-24.
- Pesaran, M.H. & Shin, Y. (1995). An autoregressive distributed lag modeling approach to cointegration analysis. Working Paper. *Amalgamated Series; 9514. Department of Applied Economics*, University of Cambridge.
- Pesaran, M.H., & Timmermann, A.(1995). The robustness and economic significance of predictability of stock returns.*Journal of Finance*,50(4),1201-1228.
- Pike, R. & Dobbins, R. (1986). Investment decisions and financial strategy, Southampton: The Camelot Press.
- Pilinkus, D. (2010). Macroeconomic indicators and their impact on stock market performance in the short and long run: the case of the Baltic States. *Technological and Economic Development of Economy*, 16(2), 291-204.
- Pilinkus, D., & Boguslauskas, V. (2009). The short-run relationship between stock market prices and macroeconomic variables in Lithuania: An application of the impulse response function. *Engineering Economics*, 5, 26-34.
- Ping, Z., & Wing, C. (2011). Corporate governance: a summary review on different theory approaches. *International Research Journal of Finance and Economics*, (68), 7-13.
- Power, M. (2004). The risk management for everything: rethinking the politics of uncertainty. Demas publishing. UK.
- Prowse, S.D. (1992). The structure of corporate ownership in Japan. *Journal of Finance*, 47(3), 1121-1140.

- Prugsamatz, N.C. (2010). Corporate governance effects on firm value and stock market performance: An empirical study of the stock exchange of Thailand-100-index listed companies. Retrieved from <http://gsbejournal.au.edu/Journals/3.pdf>
- Qin, Z., Mishra, V., & Smyth, R. (2012). An empirical examination of endogenous ownership in Chinese private enterprises. Department of economics, Monash University, Australia, discussion paper 38.
- Ralph, I.U., & Eriki, P.O. (2001). Inflation and stock price behavior: evidence from Nigerian stock market. *Journal of Financial Management & Analysis*, 14(1), 1-10.
- Randoy, T., & Goel, S. (2003). Ownership structure, founder leadership, and performance in Norwegian SMEs: Implication for financing entrepreneurial opportunities. *Journal of Business Venturing*, 18, 619- 637.
- Ratnayak, R. (1999). Industry concentration and competition: New Zealand experience. *International Journal of Industrial Organization*, 17, 1041–1057.
- Ray, C. (2010). Extreme risk management revolutionary approaches to evaluating and measurig risk. The McGraw-Hill Companies, Inc.
- Reinhart, C.M., & Rogoff, K.S. (2009). This time is different: eight centuries of financial folly. Princeton, NJ: Princeton Press.
- Reinhart, C.M., & Rogoff, K.S. (2010). Growth in a time of debt. Retrieved from <http://www.economics.harvard.edu>.
- Rhee, S.G., & Wang, j. (2009). Foreign institutional ownership and stock market liquidity: Evidence from Indonesia. *Journal of Banking & Finance*, 33,1312–1324.
- Right, P., Ferris, S., Sarin, A., & Awasthi, V. (1996). Impact of corporate insider, blockholder, and institutional equity ownership on firm risk taking. *Academy of Management Journal*, 39(2), 441-463.

- Rjoub, H., Tursoy, T., & Gunsul, N. (2009). The effects of macroeconomic factors on stock returns: Istanbul stock market. *Studies in Economics and Finance*, 26(1), 36-45.
- Rose, C. (2007). Can institutional investors fix the corporate governance problem? Some Danish evidence. *Journal of Management and Governance*, 11(4), 405-428.
- Ross S,A., Westerfield, R.W., & Jordon, B.D. (1996). Essentials of corporate finance, Irwin,
- Rumelt, R. (1974). Strategy, structure, and economic performance. *Harvard University Press, Cambridge, MA*.
- Ruthenberg, D., Pearl, S., & Landskroner, Y. (2011). Factors affecting stock market performance with special reference to market-to-book ratio in banking – the Israeli case. *Banks and Bank Systems*, 6(1), 87-98.
- Ryan, L.V., & Schneider, M. (2002). The antecedents of institutional investor activism. *Academy of Management journal*, 27(4), 554–73.
- Ryu, K., & Yoo, J. (2011). Relationship between management ownership and firm value among the business group affiliated firms in Korea. *Journal of Comparative Economics*, 39, 557-576.
- Sabri, B., Nguyen, P., & Rouatbi, W. (2012). Large shareholders and firm risk-taking behavior, MPRA (Munich Personal RePEc Archive) paper no. 39005.
- Saito, T. (2008). Family firms and firm performance: evidence from Japan. *Journal of the Japanese & International Economies*, 22,620–646.
- Salehi, M., Hematfar, M., & Heydari, A. (2011). A study of the relationship between institutional investors and corporate value: empirical evidence of Iran. *Middle-East Journal of Scientific Research*, 8(1), 72-76.

- Samiloglu, F., & Unlu, U. (2010). The relationship between ownership structure and firm performance. *The Journal of Accounting & Finance*, 46, 66-73.
- Sanders, W.G., & Hambrick, D.C. (2007). Swinging for the fences. The effects of EXO stock options on company risk taking and performance. *Academy of Management Journal*, 50(5), 1055-1078.
- Sarkar, J., & Sarkar, S. (2000). Large shareholder activism in corporate governance in developing countries: evidence from India, working paper, Indira Gandhi institute for development research, Mumbai, India.
- Saunders, A., Strock, E., & Travlos N. G. (1990). Ownership structure, deregulation, and bank risk taking. *Journal of Finance*, 45(2), 643-654.
- Sayilgan, G., & Suslu, C. (2011). The effect of macroeconomic factors on stock returns: a study of Turkey and emerging markets. *Journal of Banking and Financial Markets*, 5(1), 73-96.
- Schoemaker, P.H. (1993). Determinants of risk-taking: behavioral and economic views. *Journal of risk and uncertainty*, 6, 49-73.
- Scholasticus, K. (2010). Market capitalization. Retrieved from <http://www.buzzle.com>.
- Seifert, B., Gonenc, H., & Wright, J. (2005). The international evidence on performance and equity ownership by insiders, blockholders, and institutions. *Journal of Multinational Financial Management*, 15, 171–191.
- Sekaran, U. (1992). Research methods for business, 2nd Ed, New York, John Wiley & Sons.
- Sekaran, U. (2003). Research method for business: A skill building approach, 4th Ed, John Wiley & Sons.

- Sekaran, U., & Bougie, R. (2010). Research methods for business: a skill building approach. Fifth edition, UK, John Wiley and Sons.
- Servas, H. (2002). Is corporate diversification beneficial in emerging markets? Retrieved from <http://www.allbusiness.com>.
- Sevil, D., Ozer, M., & Kulah, G. (2012). Foreign investors and noise trade in Istanbul stock exchange. *International Journal of Business & Social Science, Special Issue*, 3(4), 93-101.
- Shah, A.A., Kouser, R., Aamir, M., & Hussain, C.M. (2012). The impact of the corporate governance and the ownership structure on the firm's financial performance and its risk taking behavior. *International Research Journal of Finance & Economics*, 93, 44-55.
- Shahbaz, M., Ahmed, N., & Ali, L. (2008). Stock market development and economic growth: Ardl causality in Pakistan. *International Research Journal of Finance and Economics*, 14, 182-195.
- Sharpe, S.A. (1999), Stock price, expected returns, and inflation, *FEDS Working Paper No. 99-2*.
- Shima, K., Reza, A.M., Majid, K., Roghayeh, A., Karim, E., & Samad, T. (2012). Offering a model to describe the relationship between corporate governance factors and return on net margin of those companies accepted at stock exchange. *Research Journal of Management Sciences*, 1(1), 14-22.
- Shleifer, A., & Vishny R. (1986). Large shareholders and corporate control. *Journal of Political Economy*, 94, 461-488.
- Shleifer, A., & Vishny, R.W. (1991). Takeovers in the '60s and '80s; evidence and implications. *Strategic Management Journal*, 12(winter special issue), 51-59.

- Shleifer, A., & Vishny, R.W. (1997). A survey of corporate governance. *Journal of Finance*, 52 (2), 737-783.
- Shourvarzi, M.R., & Beinabaj, M.H. (2011). The effects of ownership structure or number of block holders on the ratio price-to-book value (P/BV) and price-to-earnings (P/E) of the companies in Tehran stock exchanges (TSE). *African Journal of Business Management*, 5(27), 10993-10998.
- Sias, R. (2004). Institutional herding. *Review of Financial Studies*, 17, 165–206.
- Sias, R., Starks, L.T., & Titman, S. (2006). The price impact of institutional trading. *Journal of Business*, 79, 2869–2910.
- Singh, T., Mehta, S., & Varsha, M. S. (2011). Macroeconomic factors and stock returns: Evidence from Taiwan. *Journal of Economics & International Finance*, 2(4), 217-227.
- Sitkin, S.B. & Pablo, A.L. (1992). Re-conceptualising the determinants of risk behaviour. *Academy of Management Review*, 17, 9–39.
- Smith, C.W., & Watts R.L. (1992). The investment opportunity set and corporate financing, dividend and compensation policies. *Journal of Financial Economics*, 32, 263-292.
- Smith, M. (1996). Shareholder activism by institutional investors: evidence from CalPERS. *Journal of Finance*, 51, 257–262.
- Snieska, V. (2008). Research into international competitiveness in 2000-2008. *Engineering Economics*, 4, 29-41.
- Snieska, V., Laskiene, D., & Pekarskiene, I. (2008). Stock returns and the macroeconomic environment: The case of the Vilnius stock exchange. *Transformations in Business & Economics*, 7(2), 115-129.

- Spong, K.R., & Sullivan, R.J. (2010). Bank ownership and risk taking: improving corporate governance in banking after the crisis. Retrieved from http://papers.ssrn.com/sol3/papers.cfm?abstract_id=1900609
- Srivastava, A. (2010). Relevance of macro-economic factors for the Indian stock market. *Decision*, 37(3), 69-89.
- Stanley, M. (2000). The growth of institutional stock ownership: a promise unfulfilled. *Journal of Applied Corporate Finance*, 13(3), 91-105.
- Stiroh, K.J. (2006). New evidence on the determinants of bank risk. *Journal of Financial Services Research*, 30, 237-63.
- Stulz, R., (2005). The limits of financial globalization. *Journal of Finance*, 60, 1595–1638.
- Suchard, J., Pham, P. K., & Zein, J. (2007). Corporate governance. cost of capital and performance: evidence from Australian firms. Retrieved from (<http://ssrn.com/abstract=1015986>).
- Sullivan, R.J., & Spong, K.R. (2005). Ownership structure, manager wealth, and risk in commercial banks. Retrieved from http://papers.ssrn.com/sol3/papers.cfm?abstract_id=558684
- Sun, Q., & Tong, W.H.S. (2003). China share issue privatization: the extent of its success. *Journal of Financial Economics*, 70, 183–222.
- Sung, W.J. (2003). Corporate governance and firm profitability, evidence from Korea before the economic crisis. *Journal of financial economics*, 68(2), 287-322.
- Sweeting, P. (2011). Financial enterprise risk management. Cambridge University Press, New York.

- Tabachnick, B.G., & Fidell, L.S. (2007). Using multivariate statistics, 5th ed. Boston: Allyn and Bacon.
- Tadesse, S. (2005). Banking fragility and disclosure: international evidence. Working Paper no. 748. William Davidson Institute, the University of Michigan, MI.
- Tangjitprom, N. (2012). Macroeconomic factors of emerging stock market: the evidence from Thailand. *International Journal of Financial Research*, 3(2), 105-114.
- Tanrioven, C., & Aksoy, E.E. (2010). The partnership concentration on the companies operating in Istanbul stock exchange and the effects on the firms performance.
- Tasseven, O., & Teker, D. (2009). Is financial leverage mean reverting: evidence from Turkey with unit root tests. *Middle Eastern Finance and Economics*, 4, 82-87.
- Tatoglu, E., Glaister, W.K., & Erdal, F. (2003). Determinants of Foreign Ownership in Turkish Manufacturing. *Eastern European Economics*, 41(2), 5 – 41.
- Taylor, D. (2011). Corporate risk disclosures: the influence of institutional shareholders and the audit committee.
- Teresiene, D., Aarma, A., & Dubauskas, G. (2008). Relationship between stock market and macroeconomic volatility. *Transformations in Business & Economics*, 7(2) Supplement B: 102-114.
- Tesar, L.L., & Werner, I.M. (1995). U.S. equity investment in emerging stock markets. *World Bank Economic Review*, Oxford University Press, 9(1), 109-129.
- The federation of international trade associations. (2012). Turkey economy outlook. www.fita.org
- The investment support and promotion agency of Turkey. (2012). 10 reasons to invest in Turkey. <http://www.invest.gov.tr>

- Thomsen, S., Pedersena, T., & Kvist, H.K. (2006). Blockholder ownership: Effects on firm value in market and control based governance systems. *Journal of Corporate Finance*, 12, 246–269.
- Tian, L. (2002). Government shareholding and the value of China's modern firms. Working paper. London Business School.
- Trade & Development Report (2011). United Nations conference on trade and development (UNCTAD), Post-crisis policy challenges in the world economy.
- Trahair, D. (2011). Crushing debt: why Canadians should drop everything and pay off debt. John Wiley & Sons.
- Tran, T.Q.G. (2005). Ownership structure and firm performance in transition countries: The case of European Union new members, Dans FMA European conference.
- Transparency International, (2011). Transparency international corruption perceptions index retrieved from <http://www.transperancy.org>
- Transportation in Turkey, country report. (2011). Ministry of transportation and communications, republic of Turkey.
- Tsai, M.T., & Lee, K.W.A. (2006). Study of knowledge internalization: from the perspective of learning cycle theory. *Journal of Knowledge Management*, 10(3) 57-71.
- Tsoukalas, D. (2003). Macroeconomic factors and stock prices in the emerging Cypriot equity market. *Managerial Finance*, 29(4), 87-92.
- Tunali, H. (2010). The analysis of relationships between macroeconomic factors and stock returns: evidence from Turkey using VAR model. *International Research Journal of Finance & Economics*, 57, 169-182.

- Turki, A., & Sedrine, N.B. (2012). Ownership structure, board characteristics and corporate performance in Tunisia. *International Journal of Business and Management*, 7(4), 121-132.
- Tursoy, T., Gunsul, T., & Rjoub, H. (2008). Macroeconomic factors, the APT and the Istanbul stock market. *International Research Journal of Finance & Economics*, 22, 49-57.
- Turvey, D.G., Lake, L., van Duren, E., & Sparling, D. (2000). The relationship between economic value added and the stock market performance of agribusiness firms. *Agricultural economics and resource management*, 16(6), 399-416.
- Tuschke, A., & Sanders, W.G. (2003). Antecedents and consequences of corporate governance reform: The case of Germany. *Strategic Management Journal*, 24, 631–649.
- Tversky, A. & Kahneman, D. (1974). Judgement under uncertainty: heuristics and biases. *Science*, 1124–1131.
- Ulusoy, V., Cakir, N., & Ogut, K. (2008). Inflation, productivity and trade: evidence from Turkish manufacturing industry. *Middle Eastern Finance and Economics*, 2, 42-55.
- Umar, Y.A., & Al-Elg, A.H. (2004). Corporate ownership structure and firm performance in Saudi Arabia. 2nd conference on administrative science: meeting the challenges of the globalization age held in king Fahd University for Petroleum and Minerals. Saudi Arabia.
- UNCTAD (United Nations conference on trade and development),(2011). Trade and development report, retrieved from <http://www.unctad.org>

- UNCTAD(United Nations conference on trade and development),(2011). World investment report, retrieved from <http://www.unctad.org>.
- Urhan, U.B. (2006). The Relationship between corporate governance and stock market; does "more corporate governance "mean"more foreign investment"? An analysis in the base of Turkey. Department of economics, Copenhagen University. Turkey.
- Utsa, M. (2003). The role of foreign investors in the Istanbul stock exchange, master thesis, submitted to the Middle East technical University. Turkey.
- Uwalomwa, U., & Olamide, O. (2012). An empirical examination of the relationship between ownership structure and the performance of firms in Nigeria. *International Business Research*, 5(1), 208-215.
- Victoria, K., & Diego,S. (2006). Ownership, board structure and performance in continental Europe. *The International Journal of Accounting*, 98(3), 287-305.
- Villalonga, B., & Amit, R. (2006). How do family ownership, control and management affect firm value? *Journal of Financial Economics*, 80(2), 385–418.
- Virtus Mutual Funds. (2009). The myth of GDP and stock market returns. Retrieved from <http://www.virtus.com>.
- Wahla, K.R., Shah, S.Z.A. & Hussain, Z. (2012). Impact of ownership structure on firm performance evidence from non-financial listed companies at Karachi stock exchange. *International Research Journal of Finance & Economics*, 84, 6-13.
- Walker, S. (2008). Gaining an edge by converging governance, risk management and compliance. Retrieved from <http://www.ecommercetimes.com/story/62605.html>
- Wang, G. (2010). Idiosyncratic risk and risk taking behavior of mutual fund managers. *Master of Science in finance*, Singapore Management University.

- Warokka, A., Abdullah, H.H., & Duran, J.J. (2012). Ownership structures and firm performance: does East Asian corporate governance's recovery work? *World Review of Business Research*, 2(1),18–35.
- Watanabe, O. (2011). Accounting conservatism, incentive compensation, and managerial risk taking behavior. American accounting association, annual meeting, 6-10 august 2011, Denver, Colorado, USA.
- Wermers, R. (1999). Mutual fund herding and the impact on stock prices. *Journal of Finance*, 54, 581–622.
- Wermers, R. (2000). Mutual fund performance: An empirical decomposition into stock picking talent, style, transaction costs, and expenses. *Journal of Finance*, 55, 1655–1695.
- Wiwattanakantang, Y. (2001). Controlling shareholders and corporate value: evidence from Thailand. *Pacific basin finance journal*, (9), 323-362.
- Woidtke, T. (2002). Agents watching agents? Evidence from pension fund ownership and firm value. *Journal of Financial Economics*, 63, 99–131.
- World Bank and International Finance Cooperation (2004-2012). Doing business annual reports retrieved from <http://www.doingbusiness.org>
- World Bank and International Finance Cooperation(2005). Doing business database, removing obstacles to growth retrieved from <http://www.doingbusiness.org>.
- World Bank and International Finance Cooperation (2012). Doing business, economy profile of Turkey, retrieved from <http://www.doingbusiness.org>.
- World Economic Forum, the global competitiveness report (2010–2011). Retrieved from <http://www.weforum.org>

- Wright, P., Ferris, S. P., Sarin, A., & Awasthi, V. (1996). Impact of corporate insider, blockholder, and institutional equity ownership on firm risk taking. *Academy of Management Journal*, 39, 441-463.
- Wright, P., Kroll, M., Lado, A., & Van Ness, B. (2002). The structure of ownership and corporate acquisition strategies. *Strategic Management Journal*, 23(1), 41-53.
- Xu, D., Pan, Y., Wu, C., & Yim, B. (2006). Performance of domestic and foreign-Invested enterprises in China. *Journal of world business*. 41(3), 261-274.
- Xu, X., & Wang, Y. (1999). Ownership structure and corporate governance in Chinese stock companies. *China Economic Review*, 10, 75-98.
- Yates, T. (2011). 4 Ways to predict market performance. Retrieved from http://www.investopedia.com/articles/07/mean_reversion_martingale.asp
- Yean, S.Y. (2004). Monetary Policy, Inflation rate, and stock market in Malaysia. A master thesis submitted to faculty of economic, Universiti Utara Malaysia. Malaysia.
- Yen, S.W. (2005). Are well-governed firms safe investments? Retrieved from (<http://ssrn.com/abstract=648401>).
- Yilmaz, M.K., & Yilmaz, A. (1999). Foreign investors in Istanbul stock exchange: the role of market shares. *Economics magazine, February-March*, 9-19.
- Young, M.N., Peng, M.W., Ahlstrom, D., Bruton, G.D., & Jiang, Y. (2008). Corporate governance in emerging economics: A review of the principal-principal perspective. *Journal of Management Studies*, 45(1), 196-220.
- Yusef, A.S.S., Yadollah, N., & Farideh, P. (2010). Stock price performance and ownership structure during period of stock market crises: evidences from Tehran stock exchange. (*pajouheshgar*) *journal of management*, 7, 1-13.

- Zeitun, R. (2009). Ownership structure, corporate performance and failure: evidence from panel data of emerging market the case of Jordan. *Corporate Ownership & Control*, 6(4), 96-114.
- Zeitun, T., & Tian, G.G. (2007). Does ownership affect a firm's performance and default risk in Jordan? *Corporate Governance*, 7(1), 66-82.
- Zhang, A., Zhang, Y., & Zhao, R. (2001). Impact of ownership and competition on the productivity of Chinese enterprises. *Journal of Comparative Economics*, 29, 327–346.
- Zhao, X.Q. (1999). Stock prices, inflation and output: evidence from China. *Applied Economics Letters*, 6 (8), 509-511.
- Zheng, J., Xiaoxuan, L., & Arne, B. (1998). Ownership structure and determinants of technical efficiency: an application of data envelopment analysis to Chinese enterprises (1986–1990). *Journal of Comparative Economics*, 26, 465–484.